Supreme Court, U. S.
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80-1142

IN THE

Supreme Court of the United States

OCTOBER TERM, 1980

NO. .....

SOWECO, INC.,

Petitioner

vs.

SHELL OIL COMPANY and
SHELL CHEMICAL COMPANY,

Respondents

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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ATTORNEYS FOR PETITIONER

January 9, 1981

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1980

NO. _____

* * * * * * * * * * * * * * * * * * *

SOWECO, INC.,

Petitioner

vs.

SHELL OIL COMPANY and
SHELL CHEMICAL COMPANY,

Respondents

* * * * * * * * * * * * * * * * * * *

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

Soweco, Inc., Petitioner, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Fifth Circuit rendered on May 30, 1980.

QUESTIONS PRESENTED FOR REVIEW

I.

Whether the Court below erred in failing to reverse and render the District Court's rendition of a judgment non obstante veredicto in favor of the Respondent because, with substantial evidence to the contrary, such act was unauthorized and constituted a denial of trial by jury as guaranteed by the Seventh Amendment to the United States Constitution.

II.

Whether the Court below erred in failing to render judgment for the Petitioner on its Lanham Act claims when (1) Respondent was found to have infringed the Petitioner's incontestable trademark and (2) Respondent failed to obtain findings which would set up a statutory defense to such infringement under the Lanham Act.

III.

Whether the Court below erred in failing to render judgment for the Petitioner on its pendent claim for unfair competition when (1) Respondent was found to have violated the Texas law of unfair competition and (2) Respondent failed to obtain findings which would set up a defense to such violations, as is required under Erie R. Co. v. Tompkins, 304 U.S. 64 (1938).

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* * * * * * * * * * * * * * * * * * * *

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

PARTIES TO THE PROCEEDING

The caption of the case in this Court contains the names of all parties.

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OPINIONS BELOW

The opinion of the Court of Appeals, which is reproduced at Appendix A, has been reported. Soweco, Inc. v. Shell Oil Company, 617 F.2d 1178 (5th Cir. 1980). The judgment of the District Court for the Northern District of Texas, which is reproduced at Appendix B, has also been reported. Soweco, Inc. v. Shell Oil Company, 199 U.S.P.Q. 325 (N.D. Tex. 1978).

JURISDICTION

The judgment of the Court of Appeals was entered on May 30, 1980. Appendix A. A timely Petition For Rehearing was denied on August 12, 1980. Appendix B. Justice Powell, for the Court, granted Petitioner through January 9, 1981 to file its Petition For Writ of Certiorari. Appendix C. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Amendment VII of the United States Constitution, provides:

> "In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law."

Section 15 of the Lanham Act, 15 U.S.C. § 1065, provides:

> "Incontestability of right to use mark under certain conditions"
>
> "...[T]he right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable..."

Section 32(a) of the Lanham Act, 15 U.S.C. § 1114(a), provides:

> "Remedies; infringement; innocent infringement by printers and publishers"

"Any person who shall, without the consent of the registrant --

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or cause mistake, or to deceive...

shall be liable in a civil action by the registrant for the remedies hereinafter provided..."

Section 33(b) of the Lanham Act, 15 U.S.C. § 1115(b), provides:

"Same; registration on principal register as evidence of exclusive right to use mark; defenses"

* * * * * *

"If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065...except when one of the following defenses or defects is established:

* * * * * *

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to described to users the goods or services of such party, or their geographic origin..."

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides:

"False designations of origin and false descriptions forbidden"

(a) Any person who shall affix, apply, or annex, or use in connection with any goods, a false designation of origin, or any false description, including words or other symbols tending falsely to describe or represent the same, and shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used, shall be liable to a civil action...by any person who believes that he is or is likely to be damaged by the use of any such false description or representation..."

Section 45 of the Lanham Act, 15 U.S.C. § 1127, provides:

> "Construction and definitions; intent of chapter"
>
> "In the construction of this chapter, unless the contrary is plainly apparent from the context--
>
> * * * * * *
>
> The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others."

INTRODUCTION

This jury case, concerning trademark infringement and unfair competition, poses important issues of public policy. The decision of the Court below conflicts not only with the precedent of its own circuit, but with others as well.

(1) It is undisputed in this case that the Respondent had during the relevant time periods incorporated the incontestable trademark of the Petitioner into the Respondent's relevant product names.

(2) The jury also found, specifically, that the Respondent was using the infringing product names as trademarks. (App. G, H). 15 U.S.C. § 1127.

(3) In two separate issues the jury determined that the Respondent's use of its relevant marks constituted a passing off of its goods in a manner likely to confuse or mislead potential customers

into believing that the Respondent's goods or services had emanated from or had been endorsed by the Petitioner. (App. E, F).

The first critical issue of public importance concerns the right of an owner which possesses an incontestable trademark to prevent "newcomers" from the usurpation and incorporation of the incontestable trademark in the newcomer's own trademarks.

The second public policy issue of critical importance is the right of this Petitioner to a judgment on the jury's verdict, as guaranteed by the Seventh Amendment. In spite of (1) the unabashed use of the Petitioner's incontestable trademark by the Respondent, and (2) the jury findings of a "likelihood of confusion", the District Court rendered judgment for the Respondent notwithstanding the verdict.

The Court of Appeals affirmed the District Court's action, but for wholly different reasons. The actions of both courts violated the Petitioner's constitutional right to judgment on the jury verdict. U.S. Const. amend. VII.

The decision below abandons the established and well developed courses of jurisprudence which have both (1) protected the owner of an incontestable trademark from subsequent trademark use of that protected mark by a "newcomer," and (2) guaranteed a party, upon sufficient evidence, to a judgment based upon facts established by the jury's verdict.

Petitioner's Petition for Writ of Certiorari offers the Court the opportunity to rectify the circuit conflict in Lanham Act decisions created by the Court below, to confirm the inalienable right of a civil litigant to trial by jury, and to

disapprove a substantial move away from the Erie doctrine as discussed hereinbelow.

STATEMENT OF THE CASE

The Petitioner's incontestable trademark "Larvacide" was initially registered on June 21, 1927, as a trademark for grain and soil fumigants intended for use as an exterminator of bugs, insects, slugs, and rodents. The parties stipulated that the trademark was re-registered on August 28, 1951, was subsisting and uncancelled, and was "incontestable" under the Lanham Act.

The parties also stipulated that the Respondent did not make use of the word "Larvicide", an indistinguishable imitation of the Petitioner's trademark "Larvacide", until October of 1972, approximately forty-five years after the

Petitioner's incontestable trademark had first been used.

The undisputed evidence also revealed infringing products as follows:

(1) "Poultry Spray and Larvicide" in January of 1975; and

(2) "Rabon Oral Larvicide" in October of 1976.

The Respondent admitted to receiving from the Petitioner a written notification of infringement dated November 24, 1975.

The evidence further revealed, the following corraborating evidence of infringement:

(1) Despite the slight misspelling of the Petitioner's mark "Larvacide" in the Respondent's marks "Poultry Spray and Larvicide" and "Rabon Oral Larvicide", the "common" word both appeared and sounded the same;

(2) The products of both the Petitioner and the Respondent were sold in the same retail outlets by salesmen who actually testified at the trial;

(3) The products of the Petitioner and the Respondent were advertised in the same commercial media;

(4) The products of the Petitioner and the Respondent were exhibited at the same agricultural chemical exhibitions and shows; and

(5) Salesmen, who sold both products at the same retail outlets, testified that consumers were confused by the Respondent's use of the Petitioner's trademark in the Respondent's product names.

Based upon such evidence, the jury found a likelihood of confusion in the unfair competition issues (App. E, F), upon which the Petitioner was entitled to a judgment. The jury also found that the

Respondent was making use of the relevant product names as trademarks (App. G, H), as defined by the Lanham Act. 15 U.S.C. § 1127.

The trial was conducted to a jury in February of 1978 upon the Petitioner's theories of trademark infringement, Section 32(a), and unfair competition, Section 43(a), under the Lanham Act, and the Texas common law action for unfair competition.

The Court below determined that the Respondent was entitled to prevail on the jury verdict under the "fair-use" defense to the infringement of incontestable marks (App. I), and for the further reason that no evidence supported the jury's findings of unfair competition under the Texas common law.

From these two latter errors, the Petitioner prays the Supreme Court's review.

REASONS FOR GRANTING THE WRIT

I. The Court Below Erred In Failing To Reverse And Render The District Court's Rendition Of A Judgment Non Obstante Veredicto In Favor Of The Respondent Because, With Substantial Evidence To The Contrary, Such Act Was Unauthorized And Constituted A Denial Of Trial By Jury As Guaranteed By The Seventh Amendment To The United States Constitution.

The right of a party, producing substantial evidence in its favor, to a judgment on the basis of the law and the jury verdict may well be the most precious right one is guaranteed. Despite the lip service of the Congress and the Executive Branches, the apparent rights to attend state educational institutions, obtain a meal or a room in interstate travel, or to choose to use contraceptive devices in family planning became realities, only, when confirmed by the Supreme Court.

In the case at bar, however, it is the judiciary which has deprived the

Petitioner of its right to judgment on the jury verdict.

The standard for evaluating motions for a directed verdict and judgment non obstante veredicto is the same. In passing on such motions, the Court is not free to weigh the evidence or to pass on the credibility of witnesses or to substitute its judgment of the facts for that of the jury. Wright & Miller, Federal Practice and Procedure, § 2524 at 541-45 (West 1969 and Sppl.) (citing numerous authorities from all Circuits).

It is further well settled that directing a verdict in favor of a defendant where there is any substantial evidence supporting the jury's verdict constitutes error for the reason that such action is unauthorized and constitutes a denial of "trial by jury." Capital Traction Co. v. Hof, 174 U.S. 1, 13 (1898);

Slocum v. New York Life Ins. Co., 228 U.S. 364, 375-88 (1913); Howard v. Louisiana & A. Ry. Co., 49 F.2d 571, 573-74 (5th Cir. 1931); United States v. Lesher, 59 F.2d 53, 54 (9th Cir. 1932).

The jury in this case determined that the Respondent's use of its products names ("Rabon® Oral Larvicide" and "Poultry Spray & Larvicide") (App. J, K) were used as trademarks (App. G, H). 15 U.S.C. § 1127 (definition of trademark).

The jury also found that the use by the Respondent of those trademarks constituted unfair competition in that such use was "likely to confuse, or mislead potential customers into believing that such goods or services have emanated from or have been endorsed by the latter [Petitioner]." (App. E, F). Those findings established infringement under the Lanham Act. Union Carbide Corp. v. Ever-

Ready, Inc., 531 F.2d 366, 381 (7th Cir.), cert. denied, 429 U.S. 830 (1976); Kentucky Fried Chicken v. Diversified Packaging, 549 F.2d 368, 388-89 (5th Cir. 1977), as well as statutory unfair competition under Section 43(a). Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc., 428 F.Supp. 689, 697 (N.D. Ga. 1977); 15 U.S.C. § 1125(a).

Those findings are also drafted in such a way that they also establish unfair competition under the general common law standard. Id. at 382 (...emanates from or has been endorsed by...).

More importantly, such findings established unfair competition under the laws of the State of Texas. Glass v. Kottwitz, 297 S.W. 573, 575 (Tex. Civ. App. -- Galveston 1927, writ ref'd.) (even generic names protected, if public tends to be misled). By refusing the writ in

the Glass case, the Texas Supreme Court placed its approval upon the law as stated therein. Ohler v. Trinity Portland Cement Co., 181 S.W.2d 120, 123 (Tex. Civ. App. -- Galveston 1944, no writ)("writ ref'd disposition" approves law as stated by Court of Appeals).

In evaluating the evidence, similarities or identities existing between the marks, the products, the distribution system, intent, and evidence of actual confusion are the standards for examination. Union Carbide Corp. v. Ever-Ready, Inc., supra at 381-82; Roto-Rooter Corporation v. O'Neal, 513 F.2d 44, 45-46 (5th Cir. 1975). A relation of those specific factors to the facts of this case is discussed in the Petition herein, supra at 10-11.

The use by the Respondent of the Petitioner's incontestable trademark rises

far above a scintilla of evidence of infringement or unfair competition; it rises to virtually conclusive evidence of the same.

Taking away the Petitioner's right to judgment upon the verdict of the jury is constitutional error calling for review by the Supreme Court.

II. The Court Below Erred In Failing To Render Judgment For The Petitioner On Its Lanham Act Claims When (1) Respondent Was Found To Have Infringed The Petitioner's Incontestable Trademark and (2) Respondent Failed To Obtain Findings Which Would Set Up A Statutory Defense To Such Infringement Under The Lanham Act.

The Court below attempted to circumvent the Respondent's infringement of the Petitioner's incontestable trademark by heavy reliance upon the "fair-use" defense (App. I), provided under Section 33(b)(4) of the Lanham Act (App. D). 15 U.S.C. 1115(b)(4).

Absolutely critical to establishing the right of the Respondent to the use of "the fair-use shield" is proving that the Respondent's use of the imitation of the Petitioner's mark was "otherwise than as a trademark." 15 U.S.C. § 1115(b)(4). Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 12-13 (2d Cir. 1976); Venetianaire Corp. of America v. A & P Import Co., 429 F.2d 1079, 1081-83 (2d Cir. 1970); Frostie Company v. Dr. Pepper Company, 341 F.2d 363, 366-67 (5th Cir. 1965).

The jury's finding that the Respondent was using its infringing product names in a trademark sense (App. G, H), as defined by Section 45 of the Lanham Act, thus precludes the Respondent's reliance upon this statutory defense. See J. Gilson, Trademark Protection Practice, § 4.03 [3], at 4-27 (M. Bender 1979).

The Respondent having failed to establish the fair-use statutory defense, upon which the Court below based the majority of its opinion, the Court of Appeals' failure to render judgment for the Petitioner on its Lanham Act claims constitutional multiple error on the basis of stare decisis, as well as an improper interpretation of the meaning of § 33(b)(4) of the Lanham Act.

This Court should correct the erroneous holdings of law below, and rescue the Lanham Act from the unnecessary and improper interpretations promulgated therefrom.

III. The Court Below Erred In Failing To Render Judgment For The Petitioner On Its Pendent Claim For Unfair Competition When (1) Respondent Was Found To have violated the Texas law of Unfair Competition and (2) Respondent Failed To Obtain Findings Which Would Set Up A Defense To Such Violations, As Is Required Under Erie R. Co. v. Tompkins, 304 U.S. 64 (1938).

As discussed previously, the jury's findings on unfair competition established not only infringement and unfair competition "under the Lanham Act, but also established violations of the Texas law of unfair competition..." as approved by the Texas Supreme Court in Glass v. Kottwitz, 297 S.W.2d 573, 575 (Tex. Civ. App. -- Galveston 1927, writ ref'd.).

As a decision of law approved by the Texas Supreme Court, the Court below was not free, on the pendent state claim, to ignore the Glass case under the guidance of the Supreme Court case of Erie R. Co. v. Tompkins, 304 U.S. 64 (1938). Although the Glass case was briefed, it was not recognized by the Court below.

It is noteworthy that the "fair-use" defense has not been recognized in the common law of the State of Texas. To the

contrary, the Glass case makes clear that even generic terms will be protected under the State law if there exists a tendency to "mislead the public and injure the association first so using them." Glass v. Kottwitz, supra at 575.

The Court should review the errors of the Court below which failed to follow the Glass case, pursuant to the Erie rule of law, on the Texas common law claim for unfair competition.

CONCLUSION

The position of the Petitioner is not that the Respondent has no right to use an incontestable trademark in some descriptive sense, but rather that such use must be "otherwise than as a trademark."

From the mouths of the witnesses for the Respondent came confirmation after

confirmation that the Respondent used its product names in a "conspicuous manner" in order to "attract customers" and even that the Respondent had "incorporated" the Petitioner's trademark in the Respondent's product names:

"Mr. Wisdom for Shell:

Q Thank you. Are you today marketing the product, a product termed R.O.L., are you?

A Well, again, to me R.O.L. is Rabon Oral Larvicide, and we are marketing Rabon Oral Larvacide. (emphasis added)

Q What, sir, please, do you mean by 'tm,' by R.O.L., on 14A, the big lettering R.O.L., with the 'tm' beside it, what does the 'tm' mean?

A Well, my understanding is that we

are using it as a Shell Trademark."

Tr. Vol. VII at 780-781. (emphasis added)

"Mr. Pierce for Shell:

Q Well, sir, now, I want you to look at the word Larvacide right there.

Q Excuse me.

A I can't see it.

Q O.K., I'm sorry, I want you to look at the word Larvacide and I want you to look over here and tell me whether or not the word Larvacide has been incorporated into this product name [Defendant's infringing product name]?

A It is a part of that product name.

Tr. Vol. V. at 539. (emphasis added)

Q On your product, the Shell product Rabon Oral Larvacide, the product name, is that normally the largest or the smallest print on a product?

A Rabon is normally the largest.

Q You have never seen Oral Larvicide as large as Rabon?

A Sure, quite often.

Q Quite often? In fact, isn't it prominent, aren't the words prominent?

A Which words?

Q Rabon Oral Larvicide. Isn't that product name prominent?

A Yes, it is the name of the product, so it has to be prominent.

Q In fact, it is very conspicuous, is it not?

A Alway - we always make the name of the product conspicuous."

Id. at 524-525.

"Mr. Flynn for Shell:

Q And what is the brand name of this, the brand name of the product?

A It is Cadcol Rabon Oral Larvicide.

Q Rabon Oral Larvicide is what catches the user's eye, isn't it, isn't that what identifies the product to the user, tells them what is in it?

A It is Rabon Oral Larvicide, yes."

Tr. VII at 729-30. (emphasis added)

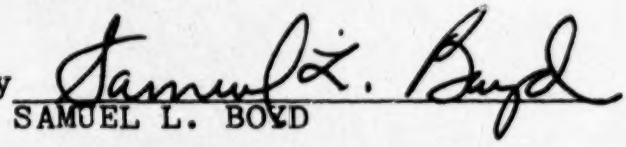
The Petitioner's single most critical concern is that an imitation of the Petitioner's mark has been utilized "in a trademark sense" by the Respondent. The Petitioner's mark had a 50-year headstart in its market. Both the public and the Petitioner are entitled to the protection provided for such an incontestable mark.

The Petitioner's mark is its authentic seal, by which it vouches for the goods which bear it. The use by the Respondent borrows the Petitioner's reputation, whose quality no longer lies within its own control. Judge Learned Hand long ago condemned the "newcomers" unlawful acquisition of another's cherished asset. Yale Electric Corporation v. Roberts, 26 F.2d 972, 974 (2d Cir. 1928).

The Petition For Writ of Certiorari should be granted. Justice requires no more and fairness requires no less.

Respectfully submitted,

McELROY & BOYD

By 
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Attorneys for Petitioner
SOWECO, INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing PETITION FOR WRIT OF CERTIORARI and the APPENDICES were served on cousel of record for the Respondent:

Mr. Louis T. Pirkey
ARNOLD, WHITE & DURKEE
1550 American Bank Tower
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and

Mr. S. Tom Morris
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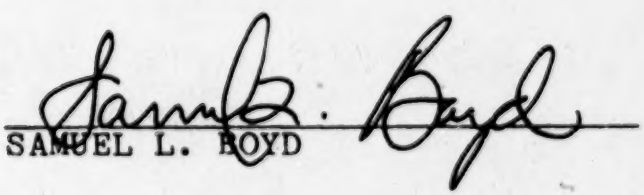
on this 8th day of January, 1981.



SAMUEL L. BOYD

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APPENDICES TO THE PETITION FOR A WRIT OF CERTIORARI

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APPENDIX A

UNITED STATES COURT OF APPEALS
FIFTH CIRCUIT

May 30, 1980

No. 78-2590

****

SOWECO, INC.,
Plaintiff-Appellant,

v.

SHELL OIL COMPANY, etc. and
Shell Chemical Company, etc.,
Defendants-Appellees.

****

McElroy & Boyd, Samuel L. Boyd, Dallas, Texas, for Plaintiff-Appellant.

Arnold, White & Durkee, Louis T. Pirkey, Houston, Texas, Gibson, Ochsner & Adkins, S. Tom Morris, Amarillo, Texas, for Defendants-Appellees.

Appeal from the United States District Court for the Northern District of Texas.

Before GEE, FAY and VANCE, Circuit Judges.

SOWECO, INC., Plaintiff-Appellant,

v.

SHELL OIL COMPANY, etc. and Shell Chemical Company, etc., Defendants-Appellees.

No. 78–2590.

United States Court of Appeals, Fifth Circuit.

May 30, 1980.

Suit was brought by seller of grain fumigants under label "LARVACIDE" against manufacturer of allegedly infringing product for trademark infringement and unfair competition. The United States District Court for the Northern District of Texas at Amarillo, Halbert O. Woodward, Chief Judge, granted judgment for defendant on plaintiff's Lanham Act claims, ordered cancellation of plaintiff's trademark, and granted judgment n. o. v. for defendant on state law unfair competition claim, and plaintiff appealed. The Court of Appeals, Gee, Circuit Judge, held that: (1) defendant manufacturer, which did not use term "larvicide" as a trademark but, rather, only to describe nature of its product, was entitled to prevail on its fair-use defense to trademark infringement claims; (2) trademark "LARVACIDE", which was used on products that were intended to kill many forms of animal life and not merely larvae, and which was therefore more properly characterized as a "varmintcide" than a "larvicide," was not generic and thus was not subject to cancellation; (3) manufacturer's use of word "larvicide" was not

"unfair" for purpose of Lanham Act unfair competition claim; and (4) no evidence supported finding of unfair competition under state law on part of defendant manufacturer.

Affirmed in part and reversed in part.

1. Trade Regulation ⇐12, 704

Terms for which trademark protection is sought are customarily grouped as generic, descriptive, suggestive, and arbitrary or fanciful, with any given term's correct categorization a factual issue; although meant as pigeon-holes, these useful labels are instead central tones in a spectrum and tend to merge at their edges.

2. Trade Regulation ⇐23

"Generic" term, which is synonymous with phrase "common descriptive name" as used in the Lanham Act, refers to particular genus or class of which individual article or service is but a member, and suggests basic nature of article or services. Lanham Trade-Mark Act, §§ 14(c), 15(4) as amended 15 U.S.C.A. §§ 1064(c), 1065(4).

See publication Words and Phrases for other judicial constructions and definitions.

3. Trade Regulation ⇐23

A word may be generic of some things and not of others, but a generic term can never become a trademark and, moreover, if registered mark at any time becomes generic with respect to a particular article, the Lanham Act provides for cancellation of that mark's registration.

Lanham Trade-Mark Act, § 14(c) as amended 15 U.S.C.A. § 1064(c).

4. Trade Regulation ⇐22

"Descriptive term" identifies characteristic or quality of article or service as for example its color, odor, function, dimensions or ingredients and, although descriptive marks are not automatically protectable, they may be registered if they have acquired secondary meaning for the consuming public. Lanham Trade-Mark Act, § 2(e)(1), (f), as amended 15 U.S.C.A. § 1052(e)(1), (f).

See publication Words and Phrases for other judicial constructions and definitions.

5. Trade Regulation ⇐25

"Suggestive" term suggests rather than describes some characteristic of goods to which it is applied and requires consumer to exercise his imagination to reach conclusion as to nature of those goods; suggestive terms require no proof of secondary meaning in order to be protected.

See publication Words and Phrases for other judicial constructions and definitions.

6. Trade Regulation ⇐24

"Arbitrary" or "fanciful" terms bear no relationship to product or service with which they are associated and like suggestive terms may be registered without proof of secondary meaning.

See publication Words and Phrases for other judicial constructions and definitions.

7. Trade Regulation ⇐251, 255

"Incontestable" mark which has

been used by registrant in connection with goods or services specified on his registration for five continuous years after registration date cannot be challenged as lacking secondary meaning but is conclusively presumed to be nondescriptive or to have acquired secondary meaning. Lanham Trade-Mark Act, § 15, 33(b) as amended 15 U.S.C.A. § 1065, 1115(b).

8. Trade Regulation ⇐375

"Fair-use" defense, which is a permissible defense to an "incontestable" mark, is available only when allegedly infringing term is used not as a trademark but fairly and in good faith only to describe to users goods and services of a party or their geographic origin; such defense, in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and prevent others from accurately describing a characteristic of their goods. Lanham Trade-Mark Act, §§ 15, 33(b)(4) as amended 15 U.S.C.A. §§ 1065, 1115(b)(4).

9. Trade Regulation ⇐334

Likelihood of confusion, on which liability under the Lanham Act for trademark infringement is predicated, is determined by evaluating variety of factors, including type of trademark at issue, similarity of design, similarity of product, identity of retail outlets and purchasers, identity of advertising media utilized, defendant's intent, and actual confusion. Lanham Trade-Mark Act, § 32(1)(a) as amended 15 U.S.C.A. § 1114(1)(a).

10. Trade Regulation ⇐596

While proof of actual confusion is not necessary and likelihood of confusion is determinative factor in determining liability under the Lanham Act for trademark infringement, actual confusion is strong proof that likelihood of confusion exists. Lanham Trade-Mark Act, § 32(1)(a) as amended 15 U.S.C.A. § 1114(1)(a).

11. Trade Regulation ⇐704

Likelihood of confusion, on which liability under the Lanham Act for trademark infringement is predicated, is question for trier of fact. Lanham Trade-Mark Act, § 32(1)(a) as amended 15 U.S. C.A. § 1114(1)(a).

12. Trade Regulation ⇐375

Defendant manufacturer, products of which were used primarily if not exclusively to kill fly larvae, and which according to witnesses' testimony and jury finding intended to use word "larvicide" in its product names only to describe nature of its product and not as a trademark, was entitled to prevail on fair-use defense against charge that term "larvicide" in its products infringed trademark "LARVACIDE," which was originally registered to designate fumigants for exterminating bugs, insects, slugs and rodents. Lanham Trade-Mark Act, § 33(b)(4) as amended 15 U.S.C.A. § 1115(b)(4).

13. Federal Civil Procedure ⇐2237

Jurors, who stated that they changed their vote on special verdict because of additional matters brought to

their attention by other jurors and because others were voting that way, articulated permissible reasons for joining majority of their peers in unanimous vote on each special issue and thus it was not necessary to look any further than their testimony to acknowledge unanimity of jury's verdict in trademark case.

14. Trade Regulation ⇐375

Defendant manufacturer would be entitled to its fair-use defense against trademark infringement charge even if there were likelihood of confusion between its product and trademark so long as it met statutory requirements, since to hold otherwise would effectively eviscerate fair-use defense; if manufacturer's use of term to fairly describe characteristic of its goods creates likelihood of confusion, then trademark owner should adopt some other method of distinguishing its goods. Lanham Trade-Mark Act, § 33(b)(4) as amended 15 U.S.C.A. § 1115(b)(4).

15. Trade Regulation ⇐284

Trademark "LARVACIDE," which was not found to be generic with respect to owner's products, which was used in products that were intended to kill many forms of animal life, not merely larvae, and was therefore more properly characterized as a "varmintcide" than a "larvicide," and which because of its incontestable status was presumed to have secondary meaning, was protectable and not subject to cancellation as generic. Lanham Trade-Mark Act, § 14(c), 15, as amended 15 U.S.C.A. §§ 1064(c), 1065.

16. Trade Regulation ⇐492

Where no evidence demonstrated that defendant manufacturer's use of word "larvicide" constituted false description or representation of its goods, and to the contrary term "larvicide" accurately conveyed essence of manufacturer's products and constituted a fair use for purposes of trademark infringement claims, defendant's use of term was not "unfair" for purpose of unfair competition claim by owner of trademark "LARVACIDE." Lanham Trade-Mark Act, § 43(a) as amended 15 U.S. C.A. § 1125(a).

17. Trade Regulation ⇐469

State law claim of unfair competition in Texas requires plaintiff to show that his mark is distinctive or has acquired secondary meaning and also requires showing that public is likely to be deceived or confused; thus, intent is not necessary to prevail on unfair competition claim in Texas.

18. Trade Regulation ⇐583

In suit charging unfair competition by manufacturer of products that allegedly infringed on trademark "LARVACIDE," no evidence supported findings of unfair competition on part of defendant manufacturer and thus manufacturer was entitled to judgment n. o. v. on state law claim.

Appeal from the United States District Court for the Northern District of Texas.

Before GEE, FAY and VANCE, Circuit Judges.

GEE, Circuit Judge:

Slugs, larvae, nematodes, and rodents form the supporting cast in this trademark drama; the protagonists are the terms "Larvacide" and "larvicide." Our etymological investigation of these entomological terms leads us to affirm in main the judgment of the careful trial court in this complex and demanding cause.

The trademark "Larvacide" was originally registered in 1927 by Innis, Speiden & Company ("ISC") to designate fumigants for exterminating bugs, insects, slugs, and rodents. It is used today on similar products. After the initial term of registration expired, ISC reregistered the mark in 1951. At that time the trademark examiner found that the mark had become "distinctive of applicant's goods"; in other words, the trademark had become "incontestable" within the meaning of the Lanham Act. *See* 15 U.S.C. § 1065 (1976).

After an intervening assignment,[1] Nor-Am Agricultural Products, Inc. ("Nor-Am") acquired all rights in the mark "Larvacide" in 1957. Like its predecessors, Nor-Am sold tear gas composed primarily of chloropicrin under the "Larvacide" label as a grain fumigant for the control of bugs, insects, and rodents in grain elevators and bins. However, on August 13, 1970, Nor-Am notified its distributors that its "Larvacide" line of products had been discontinued and that orders could no longer be accepted.[2] "Larvacide" products nevertheless remained for a time on distributors' shelves and continued to be sold. In its application for renewal of its "Larva-

cide" registration in April 1971, Nor-Am represented to the Patent and Trademark Office that "Larvacide" was "still in use in interstate commerce or in connection with fumigants intended for use as an exterminator of bugs, insects, slugs and rodents" and that the label submitted at that time "shows the mark as actually used on goods at the present time [April 5, 1971]."

In November 1973, Nor-Am assigned all of its rights in its "Larvacide" trademark to Southwestern Grain Supply Company ("Southwestern"), the predecessor in interest of plaintiff Soweco, Inc. ("Soweco").[3] Since that time Soweco has marketed grain fumigants, like those sold by Nor-Am, under the label "Larvacide."

Shell Chemical Company, a division of Shell Oil Company ("Shell"), manufac-

1. In 1952 ISC transferred its rights in the mark to International Minerals & Chemicals, which in turn transferred the mark to Nor-Am.

2. Nor-Am sold no products under the "Larvacide" name after July 31, 1970.

3. Soweco was formed on April 24, 1977. Mr. Robert Bauman, who became president of the newly formed corporation, had acquired the assets of Southwestern in December 1973. These became Soweco's assets. According to his testimony, Mr. Bauman formed Soweco "to merchandize Larvacide throughout the United States."

In April 1975, Nor-Am executed a second assignment, this one to Soweco, Inc. d/b/a Southwestern Grain Supply Co. This assignment transferred Nor-Am's rights in the "Larvacide" trademark and any goodwill associated with it, its copyright privilege in certain labels and booklets, and its United States Department of Agriculture registration numbers in certain "Larvacide" products to Soweco.

tures two products alleged to infringe on Soweco's trademark: (1) SHELL Poultry Spray & Larvicide and (2) RABON® Oral Larvicide. Originally developed and marketed as two separate products,[4] SHELL Poultry Spray & Larvicide was first marketed in 1974. A liquid ordinarily used in spray form, this product can either be sprayed directly on birds to control mites and lice or sprayed on poultry droppings to inhibit the growth of larvae and maggots. Shell sells SHELL Poultry Spray & Larvicide to a small number of distributors (ten to twelve) who resell it to poultry farmers. RABON® Oral Larvicide is added to cattle feed to control fly larvae in manure. Developed in the late 1960's and first sold in 1972, RABON® Oral Larvicide is chiefly sold to feed companies for incorporation into their own brands of cattle feed.[5]

In February 1976, Soweco brought suit against Shell, charging both trademark infringement and unfair competition under the Lanham Act, 15 U.S.C. §§ 1051 *et seq.* (1976), and unfair competition under state law. The district court granted plaintiff's motion to bifurcate the issues of liability and damages.[6]

Trial on the issue of liability was held in February 1978. After several days of testimony the district court submitted 25

4. SHELL Poultry Spray was first marketed in 1971 and SHELL Poultry Larvicide in 1972.

5. Approximately 80% of RABON® Oral Larvicide produced by Shell is sold to feed companies; the other 20% is sold to distributors who resell it to feedyards and dairies.

6. The court later refused plaintiff's request to reconsider the granting of that motion.

special issues to the jury.[7] After a day of deliberations, the jury was unable to answer all of the questions unanimously. After receiving an *Allen*[8] charge, the jury returned a unanimous verdict on all issues the following afternoon. At plaintiff's request, the judge polled the jury. Although several jurors initially indicated that the answers to one or more of the special issues did not reflect their individual judgments, they subsequently explained their actions and affirmed the unanimity of the jury's answers.[9]

Because the judge thought there was an "irreconcilable conflict between the jurors' answers" to some of the special issues, he granted plaintiff's motion for a mistrial and ordered a new trial. Subsequently, however, the court issued a memorandum opinion granting judgment for Shell on plaintiff's Lanham Act claims and ordered cancellation of plaintiff's trademark "Larvacide" on the ground that the jury had found the mark to be a common descriptive name.[10] 15 U.S.C. § 1064(c). With respect to the state law unfair competition claim, the judge granted a judgment n. o. v. for the defendant. Soweco appeals from the court's determinations.

7. For clarity, the special issues and accompanying instructions that were submitted to the jury were reproduced with the jury's answers in an appendix to this opinion.

8. *Allen v. United States*, 164 U.S. 492, 17 S.Ct. 154, 41 L.Ed. 528 (1896).

9. *See* n.29 and accompanying text, *infra*.

10. *See* n.13 and accompanying text, *infra*.

Trademark Infringement

Trademark cases often involve line drawing in areas that are inherently "fuzzy." This problem is exacerbated in the instant case by the jury's contradictory answers to some inartfully worded special issues and the judge's subsequent attempts to reconcile those answers. For these reasons, it may be helpful to set out the basic principles of applicable trademark law[11] before turning to the jury's findings and the judge's conclusions.

[1] Terms for which trademark protection is sought are customarily grouped into four categories:[12] (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful. Although meant as pigeon-holes, these useful labels are instead central tones in a spectrum; they tend to merge at their edges and are frequently difficult to apply. *Vision Center v. Optics, Inc.*, 596 F.2d 111, 115 (5th Cir. 1979), *cert. denied*, —— U.S. ——, 100 S.Ct. 668, 62 L.Ed.2d 646 (1980).

11. For excellent discussions of basic principles, *see Vision Center v. Optics, Inc.*, 596 F.2d 111 (5th Cir. 1979), *cert. denied*, —— U.S. ——, 100 S.Ct. 668, 62 L.Ed.2d 646 (1980); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976); *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), *cert. denied*, 429 U.S. 830, 97 S.Ct. 91, 50 L.Ed.2d 94 (1976).

12. Any given term's correct categorization is a factual issue. *Salton, Inc. v. Cornwall Corp.*, 477 F.Supp. 975 (D.N.J.1979) (citing 3 Callman, *Unfair Competition, Trademarks & Monopolies* 40 (Supp.1978)).

[2, 3] A "generic" [13] term refers to "a particular genus or class of which an individual article or service is but a member," *id.; Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976); it suggests the "basic nature of articles or services." *American Heritage Life Insurance Co. v. Heritage Life Insurance Co.*, 494 F.2d 3, 11 (5th Cir. 1974). A word may be generic of some things and not of others: "ivory" is generic of elephant tusks but arbitrary as applied to soap. *Abercrombie & Fitch*, 537 F.2d at 9 n.6. A generic term can *never* become a trademark. *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75, 79 (7th Cir. 1977) (citing *William R. Warner & Co. v. Ely Lilly & Co.*, 265 U.S. 526, 528, 44 S.Ct. 615, 616, 68 L.Ed. 1161 (1924)), *cert. denied*, 434 U.S. 1025, 98 S.Ct. 751, 54 L.Ed.2d 772 (1978); *Abercrombie & Fitch*, 537 F.2d at 9. Moreover, if a registered mark at *any time* becomes generic with respect to a particular article, the Lanham Act, 15

13. The term "generic" is synonymous with the phrase "common descriptive name," as used in the Lanham Act. *See* 15 U.S.C. §§ 1064(c), 1065(4).

U.S.C. § 1064(c),[14] provides for the cancellation of that mark's registration. *See, e. g., Haughton Elevator Co. v. Seeberger*, 85 U.S.P.Q. 80 (1950) (the mark "Escalator" had become generic).

[4] A "descriptive" term "identifies a characteristic or quality of an article or service," *Vision Center*, 596 F.2d at 115, as, for example, its color, odor, function, dimensions, or ingredients. *American Heritage*, 494 F.2d at 11. Although descriptive marks are not automatically protectable, 15 U.S.C. § 1052(e)(1),[15] they

14. Section 1064(c) provides:

> A verified petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed by any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905—
>
> * * * * * *
>
> (c) *at any time if the registered mark becomes the common descriptive name of an article or substance*, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 1054 of this title or of subsections (a), (b), or (c) of section 1052 of this title for a registration hereunder, or contrary to similar prohibitory provisions of said prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used; . . . .

(emphasis added).

15. Section 1052(e)(1) prohibits the registration of a mark that, "when applied to the goods of the applicant is merely descriptive . . . of them." The term "descriptive," as used in this opinion, signifies trademarks that are "merely descriptive" within the meaning of this subsection. It does not refer to generic or "common descriptive" names.

may be registered if they have acquired secondary meaning for the consuming public.[16] *See id.* § 1052(f).[17] Examples of descriptive marks would be "Vision Center" in reference to a place where one purchases eyeglasses, *Vision Center, supra*, or "EVERREADY" with reference to batteries or light bulbs. *Union Carbide Corp. v. Every-Ready, Inc.*, 531 F.2d 366 (7th Cir.), *cert. denied*, 429 U.S. 830, 97 S.Ct. 91, 50 L.Ed.2d 94 (1976). As we noted in *Vision Center*, 596 F.2d at 115 n.11, "the distinction between descriptive and generic terms is necessarily one of degree."

16. "The secondary meaning doctrine . . . holds that words which have a primary meaning of their own . . . may by long use in connection with a particular product, come to be known by the public as specifically designating that product." *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474, 477 (5th Cir. 1974). In order to establish secondary meaning, the plaintiff "must show that the primary significance of the term in the minds of the consuming public is not the product but the producer." *Vision Center*, 596 F.2d at 118 (citing *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118, 59 S.Ct. 109, 113, 83 L.Ed. 73 (1938)).

17. Section 1052(f) provides:

> (f) Except as expressly excluded in paragraphs (a)–(d) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant *which has become distinctive of the applicant's goods in commerce*. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding the date of the filing of the application for its registration.

(emphasis added).

[5] A "suggestive" term "suggests, rather than describes," some characteristic of the goods to which it is applied and requires the consumer to exercise his imagination to reach a conclusion as to the nature of those goods. *Vision Center*, 596 F.2d at 115–16. If used as a trademark for refrigerators, the term "Penguin" would be suggestive. Suggestive terms require no proof of secondary meaning in order to be protected. *Id.* at 116.

[6] "Arbitrary" or "fanciful" terms, such as "Kodak," bear no relationship to the product or service with which they are associated. Like suggestive terms, they may be registered without proof of secondary meaning.

[7] Once a mark has been registered, proof of registration is prima facie evidence of the registrant's right to use the mark, but it does not preclude one who is sued for trademark infringement from proving "any legal or equitable defense or defect which might have been asserted if such mark had not been registered." 15 U.S.C. § 1115(a). If, however, a registrant has used his mark in connection with the goods or services specified on his registration for five continuous years after the registration date, his mark is deemed "incontestable," *id.* § 1065;[18] his registration constitutes

18. Section 1065 provides:

> Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal regis-

ter infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided*, That—

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and the other matters specified in subsections (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this chapter shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within one year after the expiration of any period of five consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 1062 of this title.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

(emphasis in original).

"conclusive evidence" of his right to use the mark, subject only to the seven defenses enumerated in 15 U.S.C. § 1115(b).[19] An "incontestable" mark

19. 15 U.S.C. § 1115(b) states:

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

cannot be challenged as lacking secondary meaning; such marks are conclusively presumed to be nondescriptive or to have acquired secondary meaning. *Union Carbide*, 531 F.2d at 377. This is perhaps the most significant benefit that being "incontestable"—a "suggestive" if not "arbitrary" term as applied to the status it describes--confers on a mark.[20]

[8] Among the several permissible defenses to an "incontestable" mark is the "fair-use" defense, 15 U.S.C. § 1115(b)(4). *See* n.19, *supra*. That defense is available only when the allegedly infringing term is used not as a trademark but "fairly and in good faith only to describe to users the goods and services of [a] party, or their geographic origin." *Id.* *See Venetianaire Corp. v. A & P Import Co.*, 429 F.2d 1079, 1081–82 (5th Cir. 1970). The "fair-use" defense, in essence, forbids a trademark registrant to

> (6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however*, That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or
>
> (7) That the mark has been or is being used to violate the antitrust laws of the United States.
>
> (emphasis in original).

20. Of course, the benefit will be of value only to registrants whose trademarks are descriptive, since only descriptive marks require a showing of secondary meaning to be protectable. *See* nn.15–17 and accompanying test, *supra*. Trademarks that have become generic are subject to cancellation even if they have acquired secondary meaning. *See* slip op. pp. 6038, 6039, pp. ——–——, *supra*.

appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods.

[9–11] Liability under the Lanham Act for trademark infringement is predicated on use of a registered trademark that "is likely to cause confusion." 15 U.S.C. § 1114(1)(a).[21] In this circuit likelihood of confusion is determined by evaluating a variety of factors, including the type of trademark at issue; similarity of design; similarity of product; identity of retail outlets and purchasers; identity of advertising media utilized; defendant's intent; and actual confusion. *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 258–259 (5th Cir. 1980) (citing *Roto-Rooter Corp. v. O'Neal*, 513 F.2d 44, 45 (5th Cir. 1975)). Proof of actual confusion is unnecessary; the *likelihood* of confusion is the determinative factor. *World Carpets, Inc. v. Dick Littrell's New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971). Actual confusion is, however, strong proof that the likelihood of confusion exists. Moreover, "while very little proof of actual confusion would be necessary to prove the likeli-

21. That subsection provides:

> (1) Any person who shall, without the consent of the registrant—
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive
>
> . . . .
>
> shall be liable in a civil action by the registrant for the remedies hereinafter provided.

hood of confusion, an almost overwhelming amount of proof would be necessary to refute such proof." *Id.* The likelihood of confusion is a question for the trier of fact. *Amstar*, 615 F.2d at 257–258; *Boston Pro Hockey Association v. Dallas Cap & Emblem Manufacturing, Inc.*, 510 F.2d 1004, 1012 (5th Cir.), *cert. denied*, 423 U.S. 868, 96 S.Ct. 132, 46 L.Ed.2d 98 (1975).

We now turn to the instant facts. The jury in Special Issue Eighteen found that "as of the present date [February 24, 1978] the word "larvicide" is the common descriptive name for an agent or substance for killing larvae." Defendant argues that this finding effectively disposes of plaintiff's trademark infringement claim: because the jury determined that larvicide had become[22] generic, plaintiff's mark was no longer entitled to trademark protection and was subject to cancellation under 15 U.S.C. § 1064(c). *See* n.13, *supra*. The district judge, in his memorandum order, relied on this rationale to grant judgment for the defendant on the trademark claim and cancel plaintiff's registration.

There are two significant problems, however, with this approach. First, in the instruction that accompanied Special Issue Eighteen, the judge defined a "common descriptive name" with a definition of a *descriptive* term rather than

22. The jury found that larvicide was not a generic term on August 21, 1951, the date of ISC's reregistration. *See* Appendix, Special Issue Seventeen.

a generic term.[23] It is therefore arguable that the jury found only that "larvicide" is a *descriptive* mark since it assessed that word in terms of a descriptive definition. Second, the special issue did not require the jury to consider whether *plaintiff was using* the word "larvicide" in its generic sense.[24] As we have previously noted, "protection afforded trademarks by both the Lanham Act and the common law focuses on the *use* of words, not on their nature or meaning in the abstract." *Venetianaire*, 429 F.2d at 1082 (emphasis in original). *See also Abercrombie & Fitch*, 537 F.2d at 9. The instruction accompanying Special Issue Eighteen explicitly acknowledges that. *See* n.23, *supra*. Based on these problems with Special Issue Eighteen, plaintiff contends that the judge erred in finding for defendant on the trademark infringement claim and in cancelling plaintiff's mark.

[12] Plaintiff's contention is in part well taken: for the reasons discussed above, a judgment for defendant cannot rest on the jury's finding in Special Issue Eighteen that "larvicide" is a generic term. We conclude, however, that defendant is entitled to prevail on the basis

23. *See* slip op. p. 6039, p. ——, *supra*. The remainder of the instruction gave accurate examples of generic terms and properly explained that a generic term could serve as a trademark "if it is used for something *other than* that for which it is in fact the common descriptive name." (emphasis in original).

24. Plaintiff's using the phonetic equivalent of the generic term "larvicide" in its mark "Larvacide," *i. e.*, misspelling it, does not render the mark protectable. *Miller Brewing*, 561 F.2d at 79.

of a fair-use defense.[25] *See* slip op. p. 6041, p. ——, *supra*. The fair-use defense requires that the allegedly infringing term be "*descriptive* of . . . the goods." 15 U.S.C. § 1115(b)(4) (emphasis added). There was ample evidence at trial that defendant's products, RABON® Oral Larvicide and SHELL Poultry Spray & Larvicide, were primarily, if not exclusively, used to kill fly larvae. Although Soweco's president, Robert Bauman, disputed the *effectiveness* of Shell's products in killing larvae, he had stated in his deposition, which was read to the jury, that RABON® Oral Larvicide "kills specifically larvae and nothing else." Walter Tramel, a chemist and private consultant who testified for plaintiff, stated on cross-examination that defendant's product names were "precisely descriptive"[26] and "en-

25. As a preliminary matter, we note that the parties stipulated that plaintiff's trademark "Larvacide" was "incontestable under Section 15 of the Trademark Act of 1946, as amended." We reject Shell's contention that it stipulated to the mark's incontestability for limited purposes only. If Shell had intended the stipulation to be restricted in any fashion, it should have inserted a proviso to that effect or declined to stipulate on this matter.

26. Q: So, that the term "Poultry Spray and Larvicide" is precisely descriptive of all of the components of that product, isn't it?

A: Yes, sir.

Q: It fairly describes—it is two aspects, both a spray killing aspect and its Larvicide residual aspect, doesn't it?

A: Descriptive, yes sir.

tirely descriptive"[27] of defendant's products. Various defense witnesses also testified that Shell's use of the word "larvicide" in its product names was a descriptive or generic use of the term.[28] The evidence is thus overwhelming that Shell fairly used the word "larvicide" to describe its product.

To prevail on a fair-use defense, however, Shell must also show that it used the mark in good faith and that it did not use the term "as a trade or service mark." *Id.* The jury found in Special Issue Nineteen that Shell fairly and in good faith used the term only to describe the nature of its products and not as a trademark. Soweco attacks this finding on two grounds. First, Soweco contends that the verdict is not valid because it was not the decision of a unanimous jury. Second, plaintiff submits that the jury's answer to Special Issue Nineteen conflicts with its answers to Special Is-

27. Q [with respect to RABON® Oral Larvicide]: All right, sir. And you would understand from that, then, that this is a product which is fed to cattle which kills larvae, would you not?

A: Yes, sir.

Q: All right, sir. And in that respect, it is entirely descriptive of the product, isn't it, Mr. Tramel?

A: Yes, sir.

28. Donald Ulrich, manager of Shell's Animal Health Business Center, testified that "larvicide" is a "descriptor" for Shell's product names, "just a way of describing it [the product] so that the farmer has a clear definition of its use." Furthermore, Jack Foltz, a Shell trademark attorney, and Steve Flynn, a senior business representative of Shell Chemical Co., both testified that Shell's use of the term "larvicide" was use of the term in its generic sense.

sues Eleven and Twelve. Neither of these contentions has merit.

[13] Contrary to plaintiff's assertion, the jury verdict *was* unanimous. Although several jurors indicated that they had pressed for a different answer to certain special issues during the deliberations, when the jury was polled each juror affirmed the unanimity of the verdict.[29]

29. THE COURT: Now, ladies and gentlemen, nobody is trying to embarrass you or cause you any discomfort. So, please feel free to answer my questions. Mrs. Mall, which were the two questions that you had some question about when I polled you a moment ago?

MRS. MALL: The one about fair.

THE COURT: About unfair competition, is that what you are talking about? Is that what you—what number? Do you have that handy? Number 19, let me read that to be sure we are—19 reads as follows, "Do you find from a preponderance of the evidence that Shell has used the word 'larvacide' otherwise than as a trademark fairly and in good faith only to describe to users the nature of its product." The answer as I read it was, "Shell has fairly and in good faith used the word 'larvicide' only to describe the nature of its product." Now, as I understand you voted that way?

MRS. MALL: Yes.

THE COURT: But you said that doesn't really represent your individual judgment, is that—I don't mean to put words in your mouth.

MRS. MALL: I know, but I voted that way, I will stick to that.

THE COURT: Well, do you wish to change your vote in any way?

MRS. MALL: No.

THE COURT: Do you feel like that after considering all of the evidence and considering fairly the arguments and positions of your other jurors that you wish your vote to stand that way?

MRS. MALL: Yes.

THE COURT: Did you vote that way only

because the majority was voting that way?

MRS. MALL: I really don't know why I did.

THE COURT: Well—

MRS. MALL: Come to that conclusion, but—

THE COURT: Would it be—again, I don't want to put words in your mouth, but I guess I am reading between the lines here, but are you telling me that on your original vote, that you voted opposite to what I read?

MRS. MALL: Yes.

THE COURT: In other words, has not fairly, but then it turned out, how was the jury divided on that, do you remember on the first few votes, was it six to six?

MRS. MALL: It was divided quite a bit to start with.

THE COURT: By a substantial division?

MRS. MALL: Yes.

THE COURT: And then finally took additional votes, and additional votes, and were you the last one to come around?

MRS. MALL: One of the last ones.

THE COURT: One of the last ones? And did you come around solely because of all the others were voting that way or did you finally decide that in your judgment and in your view of the evidence you wanted to vote that way?

MRS. MALL: I guess that is the reason.

THE COURT: Now, which way was it? I will let you answer it, I don't want to answer it for you.

MRS. MALL: Well, I am sure that would have to be the reason I did.

THE COURT: What was the reason?

MRS. MALL: That I decided that that was the way I should vote on account of the evidence.

THE COURT: All right. Now, there was another issue. Do you remember what the—there were two I believe you told me.

MRS. MALL: Yes.

THE COURT: Do you remember what the other one was about? Can anybody help us out here?

JUROR: No. 16.

THE COURT: No. 16. All right. Let's turn to that. No. 16, "Do you find from a preponderance of the evidence that Soweco's predecessor, Nor-Am, acted fraudulently when it represented to the Patent and Trademark Office on April 5th, 1971, that Larvicide was still

in use in interstate commerce or in connection with fumigants intended to use as an exterminator of bugs, insects, slugs and rodents, and that the label submitted at that time shows the mark as it was actually used on the goods at the present time." Now, the answer I read out was, "Nor-Am acted fraudulently." You, I take it were voting the other way than they were and saying not acting fraudulently?

MRS. MALL: Yes. When it was first—what was brought out here I didn't feel like that to start with, it showed that they really had.

THE COURT: All right. And were you one of the last ones to change your vote on that too?

MRS. MALL: Yes, I was.

THE COURT: Was there substantial disagreement on that at first kind of like the other one?

MRS. MALL: Yes there was.

THE COURT: Now, when you finally changed your vote you were way in the minority, were you not?

MRS. MALL: Yes, I was.

THE COURT: I am assuming that. Well, I am going to—well, you don't feel embarrassed about that, that is what makes this jury system good. There is nothing wrong with that. Now, when you finally changed your vote did you do so because you were pressured because of time or because or—or simply because of all the other jurors or nearly all of the others were voting the other way and you just said, well, I will give in and just go that way?

MRS. MALL: No, they brought around some things that I hadn't considered in my vote.

THE COURT: I see. And then you considered those things, did you?

MRS. MALL: Yes.

THE COURT: And then you changed your vote for that reason, because of these other additional matters?

MRS. MALL: Yes.

THE COURT: Now, if that is not right, I don't want you to—

MRS. MALL: That's right.

THE COURT: All right. Now Mrs. Pope—Mr. Pope, excuse me.

MR. POPE: Yes, sir.

THE COURT: There were two that you disagreed on, what were those two?

MR. POPE: The same.

THE COURT: Same ones?

MR. POPE: Yes, sir.

THE COURT: Well, I don't want to take up a whole lot of your time, but you voted initially I presume on 16 and 19 opposite to what I have read here?

MR. POPE: Yes, sir.

THE COURT: And you changed your vote towards the last?

MR. POPE: Yes, sir.

THE COURT: And you were one of the last ones to change your vote?

MR. POPE: Yes, sir.

THE COURT: Why did you change your vote?

MR. POPE: Well, as you stated earlier the time, cost to the attorneys and—

THE COURT: Not because of the evidence?

MR. POPE: We could not persuade the others to change theirs, so we just—

THE COURT: Well, is it fair to say that you just changed your vote because the others were voting that way and you said, well, I had better vote along with them?

MR. POPE: Yes, sir.

THE COURT: And not because of any persuading you?

MR. POPE: No, sir.

THE COURT: All right.

Despite this testimony, Soweco contends that the verdict for Shell must be overturned on the basis of *United States v. Taylor*, 507 F.2d 166 (5th Cir. 1975), and *United States v. Edwards*, 469 F.2d 1362 (5th Cir. 1972). These cases, however, are inapposite because they are *criminal* cases involving general verdicts and thus implicate concerns—most significantly, proof of guilt beyond a reasonable doubt—that are not present in civil suits. Moreover,

> A verdict is not vitiated by the fact that a juror hesitated to agree to it, or where, in answer to the inquiry, he says it is not his verdict but he consented to it, and subsequently answers that it is his verdict, or says he consented to it under protest, *or that he did not believe the verdict right, but agreed to it for the sake of harmony.*

89 C.J.S. *Trial* § 490(2) (1955) (footnotes omitted and emphasis added). The instant jurors thus articulated permissible reasons for joining a majority of their peers in a unanimous vote on each special issue. We need not look any further than this testimony to acknowledge the unanimity of the jury's verdict.

[14] Plaintiff's second challenge is grounded in an alleged inconsistency between Special Issue Nineteen and Special Issues Eleven and Twelve. In Special Issue Nineteen, the jury found that Shell "used the word 'larvicide' otherwise than as a trademark." In Special Issues Eleven and Twelve, the jury found that Shell used each of the product names "RABON® Oral Larvicide" and "Poultry Spray & Larvicide" "as a word combination adopted by Shell to identify its goods and to distinguish it from those manufactured or sold by another." These answers, however, are not contradictory. Special Issue Nineteen refers only to the word "larvicide"; Special Issues Eleven and Twelve, on the other hand, concern various *word combinations*, not simply the term "larvicide." The jury could well find that Shell intended to use the word combinations to identify its goods without intending to use the word "larvicide" as a trademark. It is difficult for us to discern how the jury could have answered Special Issues Eleven and Twelve in the negative; obviously, the word combinations were being used to identify Shell's goods. Moreover, the word combination addressed in Special Issue Eleven included the term "RABON®," which had been trademarked by Shell. Considering these facts, the jury's finding that Shell did not use the term "larvicide" as a trademark must stand. Accordingly, we conclude that Shell must prevail on its fair-use defense to the trademark infringement claim.[30]

30. Because we find that Shell is entitled to a fair-use defense, we need not consider Shell's abandonment defense, 15 U.S.C. § 1115(b)(1).

or its fraudulent registration defense, *id.* § 1115(b)(2). The jury found in Special Issues Fourteen and Fifteen that plaintiff had not abandoned its trademark but found in Special Issue Sixteen that it had fraudulently registered its mark "Larvacide." We are reluctant to rely on the fraudulent registration defense because (1) there is a dearth of evidence in the record to support a finding of fraud, and (2) the answer to Special Issue 16 may be inconsistent with the jury's answers to Special issues Fourteen and Fifteen. There was no evidence that Nor-Am intended to abandon its trademark; moreover, its products were still in interstate commerce at the time of the registration, since they were still on distributors' shelves at that time. As noted above, however, we need not probe this issue because a fair-use defense is available to defendant.

One final contention made by plaintiff does merit consideration. In Special Issues One and Three, the jury explicitly found that the ordinary consumer of agricultural chemical products was not likely to be confused by Shell's use of its product names. Because we have held that a finding of likelihood of confusion is a prerequisite for a trademark infringement claim, *Dallas Cap*, 510 F.2d at 1012, the jury's answers to these special issues should be sufficient to dispose of plaintiff's trademark infringement claims. Nevertheless, the jury also found that Shell's use of the term "larvicide" was an act of "unfair competition," which the judge had characterized in his instructions as "the passing off of one's goods or services as those of another, in a manner that is *likely to confuse*." (emphasis added). On this basis, plaintiff contends that it is entitled to prevail on its trademark claim. However, having carefully read the entire transcript and having considered all the requisite factors, *Amstar*, 615 F.2d at 258–259, we agree with the district court that there is "more than ample evidence" to support a jury finding that there was no likelihood of confusion and, conversely, that the jury's findings of unfair competition on the part of the defendants were "not supported by *any* evidence." (emphasis added). Moreover, we are convinced that even if there were a likelihood of confusion, the defendant would still be entitled to its fair-use defense, so long as it had met the require-

[15] The district court erred, however, in cancelling plaintiff's registration for its trademark "Larvicide." As noted above, the jury did not find that plaintiff's use of the term "larvicide" was generic *with respect to its products.* *See* slip op. p. 6042, p. ——, *supra.* In fact, plaintiff used its mark on products that are intended to kill many forms of animal life, not merely larvae;[31] it is more properly characterized as a "varmintcide" than a "larvicide." Nevertheless, since plaintiff's products do kill larvae, its mark may be said to be at least descriptive of its products.[32] As such, it requires secondary meaning to be protected. However, plaintiff's mark, as a result of its incontestable status, *see* nn.17, 20 and 25 and accompanying text, *supra,* is *presumed* to have secondary meaning. *See Union Carbide,* 531 F.2d at 377 ("once incontestability is established, registrant's mark is immune from challenge on any grounds not enumerated in § 1115(b)."). Consequently, plain-

ments of § 1115(b)(4). To hold otherwise would effectively eviscerate the fair-use defense. If defendant's use of a term to *fairly* describe a characteristic of its goods creates a likelihood of confusion, then plaintiff should adopt some other method of distinguishing its goods from those of defendant. He cannot deprive defendant of his statutory defense once defendant has established the elements of that defense, as defendant has done here.

31. Several witnesses testified that plaintiff's products were intended primarily to kill adult insects, not larvae.

32. Plaintiff argued at trial that his mark was "arbitrary," but we reject that contention in light of the testimony at trial that plaintiff's products *do* kill larvae.

tiff's mark is protectable and is not subject to cancellation under section 1064(c) of the Lanham Act.

The Federal Unfair Competition Claim

[16] Once the district court had disposed of the trademark claim, it turned to plaintiff's unfair competition claim under state law. Nowhere did it address plaintiff's claim under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a),[33] which has been characterized as "at least a partial federal law of unfair competition." *Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 234 F.2d 538, 547 (2d Cir. 1956) (Clark, J., concurring). Perhaps the court felt it was unnecessary to address the section 43(a) claim because of its finding that plaintiff's mark had become generic. Even plaintiff seems to have slighted the section 43(a) claim, since it never objected to the wording of Special Issues Seven and

33. (a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

Nine in which "unfair competition" was defined in terms of "passing off of one's goods or services as those of another," even though passing off is not required under section 43(a). *L'Aiglon Apparel, Inc. v. Lana Lobell*, 214 F.2d 649 (3d Cir. 1954). Nevertheless, plaintiff brought a section 43(a) claim and raises it again on appeal.

We are of the opinion that defendant must prevail on this claim. There was no evidence demonstrating that Shell's use of the word "larvicide" constituted a "false description or representation" of its goods as required by section 43(a). To the contrary, the term "larvicide" accurately conveys the essence of defendant's products. As we have found above, defendant's use of the term "larvicide" was *fair* use for the purposes of the trademark infringement claim. It would make no sense to characterize defendant's use as "fair" within the meaning of the Lanham Act for the purposes of a trademark infringement claim and at the same time characterize his use as "unfair" for the purpose of a section 43(a) unfair competition claim under the same statute. For these reasons, we hold for defendant on the section 43(a) claim.

The State Law Unfair Competition Claim

[17] A state law claim of unfair competition in Texas requires the plaintiff to show that his mark is distinctive or has acquired secondary meaning. *Douglas v. Taylor*, 497 S.W.2d 308, 310 (Tex.Civ. App.—Houston [1st Dist.] 1973, no writ); he must also demonstrate that the public is likely to be deceived or confused:

"Unfair competition results if [defendant's] use of the name is calculated to deceive the ordinary buyer making his purchases under the ordinary conditions which prevail in the particular trade to which the controversy relates." *Id.* (citing *Harrelson v. Wright*, 339 S.W.2d 712 (Tex.Civ.App.—Eastland 1960, writ ref'd n. r. e.)). The *Douglas* court's phrase "calculated to deceive" seems to suggest that there must be some intent on the part of the competitor. Other cases, however, indicate that a showing of intent is not necessary in order to prevail on a claim of unfair competition. *See, e. g., McCarley v. Welsh*, 170 S.W.2d 330, 332 (Tex.Civ.App.—Dallas 1943, no writ); *Volkswagenwerk*, 492 F.2d at 478 ("intent is not a necessary element of the tort of unfair competition."). Thus, it appears that intent is *not* necessary to prevail on an unfair competition claim in Texas. *But see Burge v. Dallas Retail Merchants Association*, 257 S.W.2d 733, 735 (Tex.Civ.App.—Dallas 1953, no writ) ("Unfair competition is predicated upon fraud.").

[18] The jury found in Special Issues Seven and Nine that Shell's use of its product names were "acts of unfair competition." Nevertheless, the judge granted a judgment n. o. v. on the unfair competition claim because, among other reasons,[34] he found that "there was no evidence to support the jury's findings of unfair competition on the part of defendants in Special Issues 7 and 9." Applying the standards of *Boeing Co. v. Shipman*, 411 F.2d 365, 374–75 (5th Cir.

34. The judge gave two reasons, in addition to the lack of evidence, for rejecting plaintiff's

state law claim. Neither of these, however, is sufficient to uphold the judgment n. o. v.

The judge found that plaintiff had failed to prove that its mark had acquired secondary meaning, even though it was "incontestable" within the meaning of the Lanham Act:

> Although the Seventh Circuit held in the *Union Carbide* case [*Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), *cert. denied*, 429 U.S. 830, 97 S.Ct. 91, 50 L.Ed.2d 94 (1976)] that the incontestability of the mark there in question created a conclusive presumption of secondary meaning it noted at p. 375 of the opinion that, "If a mark is the common descriptive name of an item, it does not qualify for registration under § 1052(f). If a mark becomes the common descriptive name of an item, it may be cancelled at any time and incontestability would be of no effect even if subsection (4) [of 15 U.S.C. § 1065] had not been enacted." *See* 15 U.S.C. § 1064(c), 1065. Thus in a case such as the one under consideration where the mark has become a common descriptive name, the presumption of secondary meaning stemming from the mark's incontestable status under 15 U.S.C. § 1065 does not apply. This is because the mark, being a common descriptive term, is not entitled to incontestable status under 15 U.S.C. § 1065(4), and thus not entitled to any presumption to which such status would normally entail. Plaintiff's burden of proving secondary meaning is not satisfied by virtue of its mark being "incontestable."

In light of our holding that plaintiff's mark is *not* generic as applied to its products, this reasoning cannot support the judge's grant of a judgment n. o. v.

The judge also held that the jury's finding that defendant did not deliberately seek to trade on the goodwill of plaintiff (Special Issues Five and Six) defeats plaintiff's claim of unfair competition. Clearly, he found defendant's lack of deliberateness inconsistent with plaintiff's cause of action for "palming off." However, as noted above, there are numerous authorities that support the assertion that deliberate deception is not required for an unfair competition claim under Texas law. Consequently, we cannot sustain the judgment n. o. v. on this ground.

1969) (en banc), as we are bound to do in the appeal of a judgment n. o. v., we agree with the district court that a judgment n. o. v. was proper. Our review of the record does not disclose *any* evidence of unfair competition, let alone "substantial evidence . . . of such quality and weight that reasonable and fair-minded men in the exercise of impartial judgment might reach different conclusions," *id.* at 374, on plaintiff's state law unfair competition claim. Accordingly, we affirm the district court's judgment n. o. v. for defendant on this issue.

Conclusion

We affirm the district court's judgment for defendant on the trademark infringement claim and its judgment n. o. v. for defendant on the federal and state unfair competition claims. We reverse, however, the court's cancellation of plaintiff's registration of the trademark "Larvacide."

AFFIRMED in part and REVERSED in part.

APPENDIX

SPECIAL ISSUE NO. ONE

Do you find from a preponderance of the evidence that the ordinary consumer of agricultural chemical products, giving that attention which such persons usually give in consuming the product in question, would likely be mistaken, confused, or deceived by Shell's use of the product, name "Rabon® Oral Larvicide" so as to cause such consumer to believe that Shell's product is in some way connected with Soweco's product named "Larvacide"?

Answer: The ordinary consumer is not likely to be confused.

In your deliberations in connection with the foregoing Special Issue No. One and the following Special Issue No. Three, you may consider the following:

In determining whether consumer is likely to be confused or likely to make mistakes, or likely to be deceived, you should consider ordinary consumers who are neither overly careful nor overly careless. Consumers includes purchasers or users of the product.

You are instructed that it is not necessary to find actual confusion in order to find a likelihood of confusion. However, evidence of actual confusion is the best evidence of a likelihood of confusion.

In answering the foregoing Special Issue No. One and the following Special Issue No. Three, you may draw on your common knowledge and experience as citizens of the community, and you may also consider the following factors:

(a) the degree of similarity or dissimilarity between the names of the plaintiff's and defendant's respective product (for example, spelling and sound of product names);

(b) the similarity or dissimilarity in design of the trademark used on the respective products of the plaintiff and defendant;

(c) the degree of similarity or dissimilarity between the plaintiff's and defendant's products (for example, the type of product, and its intended use);

(d) the similarity or dissimilarity of the retail outlets at which the products

of the plaintiff and defendant are sold;

(e) the similarity or dissimilarity of the class of purchasers to whom the products of the plaintiff and defendant are sold (for example, the degree to which purchasers of one product would or would not be drawn predominantly from a different class of purchasers);

(f) the similarity or dissimilarity in the manner that the products of the plaintiff and defendant are sold (for example, the similarity or dissimilarity in packaging, displaying, or advertising the two products);

(g) the similarity or dissimilarity in the manner or method in which the respective product names are used by the plaintiff or defendant;

(h) whether in adopting the product names "Rabon® Oral Larvicide" and "Poultry Spray and Larvicide", Shell had any intent to confuse consumers as to the source of origin of the product or to take advantage of the good will or reputation of Soweco;

(i) the degree of care likely to be used by consumers in purchasing the respective products of the plaintiff and defendant;

(j) any evidence of actual confusion to consumers;

(k) other factors about the products which would tend to increase or reduce any tendency on the part of the consuming public to be confused, mistaken, or deceived as to the source or origin or connection of the products.

No one factor or consideration should

be considered conclusive, but each aspect should be weighed in light of the total evidence presented at trial.

If you have answered the foregoing Special Issue No. One "The ordinary consumer would likely be confused," then answer the following Special Issue No. Two; otherwise do not answer Special Issue No. Two.

SPECIAL ISSUE NO. TWO

Do you find from a preponderance of the evidence that Shell wilfully used the product name "Rabon® Oral Larvicide" in causing the likelihood of consumer confusion, mistake, or deception found in Special Issue No. One?

Answer: Not required.

In connection with the foregoing issue and another issue in this charge, you are instructed that "wilfully" means to do an act voluntarily and intentionally and with the specific intent to cause the likelihood of consumer confusion.

SPECIAL ISSUE NO. THREE

Do you find from a preponderance of the evidence that the ordinary consumer of agricultural chemical products, giving that attention which such persons usually give in buying and using the product in question, would likely be mistaken, confused, or deceived by Shell's use of the product name "Poultry Spray and Larvicide" so as to cause such consumers to believe that Shell's product is in some way connected with Soweco's product named "Larvacide"?

Answer: The ordinary consumer would not likely be confused.

If you have answered the foregoing Special Issue No. Three "The ordinary consumer would likely be confused," then answer the following Special Issue No. Four; otherwise do not answer Special Issue No. Four.

SPECIAL ISSUE NO. FOUR

Do you find from a preponderance of the evidence that Shell wilfully used the product named "Poultry Spray and Larvicide" in causing the likelihood of consumer confusion, mistake, or deception found in Special Issue No. Three?

Answer: Not required.

SPECIAL ISSUE NO. FIVE

Do you find from a preponderance of the evidence that in using the word "larvicide," in its product name "Rabon® Oral Larvicide" SHELL deliberately sought to trade on the goodwill of SOWECO?

Answer: Shell did not so deliberately seek to trade.

In connection with the foregoing issue and a following issue, you are instructed that the word "deliberately" means wilfully or intentionally.

You are further instructed that in connection with the foregoing issue and a following issue No. Six, "good will" means the valuable asset, advantage, or benefit of a business, beyond the mere value of its specific property, which arises and grows out of a business through the general public patronage and encouragement that the business receives from its customers as a result of

the name, location, reputation and success of the business or its products.

SPECIAL ISSUE NO. SIX

Do you find from a preponderance of the evidence that in using the word "larvicide," in its product name "Poultry Spray and Larvicide" SHELL deliberately sought to trade on the good will of SOWECO?

Answer: SHELL did not so deliberately seek to trade.

SPECIAL ISSUE NO. SEVEN

Do you find from a preponderance of the evidence that Shell's uses of its product name "Rabon® Oral Larvicide" are acts of unfair competition?

Answer: It was an act of unfair competition.

"Unfair competition" as used in the above issue and issue number Nine is defined as the passing off of one's goods or services as those of another, in a manner that is likely to confuse, or mislead potential customers into believing that such goods or services have emanated from or have been endorsed by the latter. You are advised that in answering this issue that the plaintiff, Soweco, need not have shown actual confusion of potential customers, but only a likelihood of confusion.

If you have answered Special Issue No. Seven "It was an act of unfair competition" then answer Issue No. Eight, otherwise do not answer Issue No. Eight.

SPECIAL ISSUE NO. EIGHT

Do you find from a preponderance of the evidence that the act of unfair competition found in the foregoing special issue was committed with the knowledge that the imitation of Soweco's trademark LARVACIDE was intended to be used to cause confusion, or to cause mistake, or to deceive?

Answer: No.

SPECIAL ISSUE NO. NINE

Do you find from a preponderance of the evidence that Shell's uses of its product name, POULTRY SPRAY & LARVICIDE, are acts of unfair competition?

Answer: It was an act of unfair competition.

If you have answered Special Issue No. Nine "It was an act of unfair competition" then answer Special Issue No. Ten.

SPECIAL ISSUE NO. TEN

Do you find from a preponderance of the evidence that the act of unfair competition found in the foregoing special issue was committed with the knowledge that the imitation of Soweco's trademark LARVACIDE was intended to be used to cause confusion, or to cause mistake, or to deceive?

Answer: No.

SPECIAL ISSUE NO. ELEVEN

Do you find from a preponderance of the evidence that Shell intended to and does use the product named "Rabon® Oral Larvicide" as a word combination adopted by Shell to identify its goods and to distinguish them from those manufactured or sold by others?

Answer: Yes.

SPECIAL ISSUE NO. TWELVE

Do you find from a preponderance of the evidence that Shell intended to and does use the produce name POULTRY SPRAY & LARVICIDE as a word combination adopted by it to identify its goods and to distinguish them from those manufactured or sold by another?

Answer: Yes.

SPECIAL ISSUE NO. THIRTEEN

Do you find from a preponderance of the evidence that Soweco suffered damage as a result of any of the following activities by Shell?

(If in answering the preceeding [sic] issues you did not find that Shell committed any of the activities or acts inquired about below, you need not answer this issue as to such act or activities.)

You will answer "Yes" or "No" as to each activity:

(a) In trading on the goodwill of Soweco in the use of the product name "Rabon® Oral Larvicide"?

Answer: No.

(b) In trading on the goodwill of Soweco in the use of the product name

"Poultry Spray and Larvicide"?

Answer: No.

(c) In the acts of unfair competition by Shell's use of its product name "Rabon® Oral Larvicide"?

Answer: No.

(d) In the acts of unfair competition by Shell's use of its product name "Poultry Spray and Larvicide"?

Answer: No.

SPECIAL ISSUE NO. FOURTEEN

Do you find from a preponderance of the evidence that prior to Soweco's acquisition of its Larvacide product line from Nor-Am Agricultural Products, Inc., Nor-Am had discontinued use of the trademark "Larvacide"?

Answer: Nor-Am did not discontinue use of its trademark "Larvacide" prior to Soweco's acquisition.

SPECIAL ISSUE NO. FIFTEEN

Do you find from a preponderance of the evidence that Nor-Am intended not to resume the use of its trademark "Larvacide"?

Answer: Nor-Am did intend to resume the use of its trademark "Larvacide."

In determining the issues with respect to discontinuance of use and intent not to resume the use of the trademark, you are advised that these constitute what the law deems to be an abandonment which is in the nature of a forfeiture and strict proof thereof is required.

SPECIAL ISSUE NO. SIXTEEN

Do you find from a preponderance of the evidence that Soweco's predecessor Nor-Am acted fraudulently when it represented to the Patent and Trademark Office on April 5, 1971 that "Larvacide" was "still in use in interstate commerce on or in connection with fumigants intended for use as an exterminator of bugs, insects, slugs and rodents" and that the label submitted at that time "shows the mark as actually used on the goods at the present time [April 5, 1971]?"

Answer: Nor-Am acted fraudulently.

In connection with the foregoing issue, you are instructed that "fraudulent" means an intentional misrepresentation of the truth in order to induce the Patent and Trademark Office to renew the registration of "Larvacide."

You are further instructed that "interstate commerce" means the transportation of goods and products in commercial trading from points in one state to points in another state.

SPECIAL ISSUE NO. SEVENTEEN

Do you find from a preponderance of the evidence that on August 28, 1951, the word "larvicide" was the common descriptive name for an agent or substance for killing larvae?

Answer: Larvicide was not the common descriptive name.

SPECIAL ISSUE NO. EIGHTEEN

Do you find from a preponderance of the evidence that as of the present date the word "larvicide" is the common de-

scriptive name for an agent or substance for killing larvae?

Answer: Larvicide is the common descriptive name at present.

In connection with Special Issues Nos. Seventeen and Eighteen you are instructed as follows: "Common descriptive name" means a name which conveys an immediate idea of the ingredients, qualities, or characteristics of goods. A "product name" is the name of a product. Quite often, a product name is also a common descriptive name. This would certainly be the case, for example, with the word "coffee," which is the common descriptive name for the drink which is made from the beans of the coffee tree. The common descriptive name of the sweet bread which we sometimes eat for breakfast is "coffee cake." The common descriptive name for a small restaurant is "coffee shop."

It is possible that a word which is a common descriptive name, if it is used for something *other than* that for which it is in fact the common descriptive name, can also be a trademark. For example, "coffee pot" is the common descriptive name for a utensil for making or serving coffee, but a restaurant could be called "The Coffee Pot" and that would be a trademark (or more accurately, a service mark). Similarly, "coffee tree" is the common descriptive name of a tree which grows coffee beans, but a restaurant could be called "The Coffee Tree" and that would be a trademark.

"Camel" is the common descriptive name for an animal with a humped back, but it is a trademark for cigarettes.

The common descriptive name of a small class of animals is "insect," and the common descriptive name for an agent that destroys those animals is "insecticide."

Similarly, "pest" and "pesticide" are common descriptive names.

"Larva" is the common descriptive name for the immature form which hatches from the egg of many insects. "Larvae" is the plural of "larva."

SPECIAL ISSUE NO. NINETEEN

Do you find from a preponderance of the evidence that Shell has used the word "larvicide" otherwise than as a trademark fairly and in good faith only to describe to users the nature of its products?

Answer: Shell has fairly and in good faith used the word "larvicide" only to describe the nature of its products.

In connection with the foregoing issue, you are instructed that the word "fairly" means something that is characterized by honesty and not done with deceit or wrongful intent.

The term "good faith" means something that is done with pure intent and not with an intent to injure or harass, vex or annoy.

The term "trademark" includes a word, name, symbol or device, or any combination thereof, adopted and used by a manufacturer or merchant to identify his goods and to distinguish those goods from those manufactured or sold by others.

SPECIAL ISSUE NO. TWENTY

Do you find from a preponderance of the evidence that Soweco's delay until February 13, 1976 in bringing this action was an unreasonable delay in protecting its rights in its trademark?

Answer: Soweco's delay was not unreasonable.

In connection with the foregoing issue, you are instructed that the term "unreasonable delay" means a delay of a longer period of time than a person of ordinary prudence would have delayed in taking action under the same or similar circumstances.

If you have answered Special Issue No. Twenty "Soweco's delay was unreasonable" then answer the following Special Issue Twenty-one, otherwise do not answer Special Issue No. Twenty-one.

SPECIAL ISSUE NO. TWENTY–ONE

Do you find from a preponderance of the evidence that Shell is placed at a disadvantage because of such unreasonable delay?

Answer: Answer not required.

SPECIAL ISSUE NO. TWENTY–TWO

Do you find from a preponderance of the evidence that since at least 1967 Burroughs-Wellcome Co., or its predecessor, has used the word "larvicide" on its label to market its product to kill larvae?

Answer: Burroughs-Wellcome Co. or its predecessor has used the word "larvicide" to market its product since at least 1967.

If you have answered Special Issue No. Twenty-two "Burroughs-Wellcome Co. or its predecessor has used the word 'larvicide' to market its product since at least 1967" then answer the following Special Issue No. Twenty-three; otherwise do not answer Special Issue No. Twenty-three.

SPECIAL ISSUE NO.
TWENTY–THREE

Do you find from a preponderance of the evidence that Soweco knew or should have known of the use by Burroughs-Wellcome Co., or its predecessor?

Answer: Soweco did not know or should not have known of such use.

If you have answered Special Issue No. Twenty-three "Soweco knew or should have known of such use" then answer the following Special Issue No. Twenty-four; otherwise do not answer Special Issue No. Twenty-four.

SPECIAL ISSUE NO. TWENTY–FOUR

Do you find from a preponderance of the evidence that Soweco took no action to prevent such use of the word "larvicide"?

Answer: Answer not required.

If you have found that Soweco suffered damages from the acts or activities of Shell in your answers to any of the subdivisions of Special Issue No. 13 then answer Issue No. 25, but if you have found no damages were incurred in your answers to each subdivision of Special Issue No. 13 you will not answer Special Issue No. 25.

SPECIAL ISSUE NO. TWENTY-FIVE

Do you find from a preponderance of the evidence that any of Shell's acts or activities causing damages to Soweco (if you have so found in your answer to Special Issue No. 13) were acts that were committed maliciously, wantonly, or oppressively?

An act or a failure to act is "maliciously" done, if prompted or accompanied by ill will, or spite, or grudge, toward Soweco.

An act or a failure to act is "wantonly" done, if done in reckless or callous disregard of, or indifference to, the rights of Soweco.

An act or a failure to act is "oppressively" done, if done in a way or manner which injures, or damages, or otherwise violates the rights of Soweco with unnecessary harshness or severity, as by misuse or abuse of authority or power, or by taking advantage of some weakness, or disability, or misfortune of another.

Answer: Answer not required.

APPENDIX B

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

NO. 78-2590

SOWECO, INC.
Plaintiff-Appellant,

v.

SHELL OIL COMPANY, ETC. and
SHELL CHEMICAL COMPANY, ETC.,
Defendants-Appellees.

Appeal From the United States District
Court for the Northern District of Texas

ON PETITION FOR REHEARING
(August 12, 1980)

Before GEE, FAY and VANCE, Circuit Judges

PER CURIAM:

IT IS ORDERED that the petition for rehearing filed in the above entitled and numbered cause be and the same is hereby DENIED.

ENTERED FOR THE COURT:

/s/ Thomas Gibbs Gee
United States Circuit Judge

APPENDIX C

SUPREME COURT OF THE UNITED STATES

No. A-363

SOWECO, INC.,
Petitioner,

v.

SHELL OIL COMPANY, et al.,

ORDER EXTENDING TIME TO FILE
PETITION FOR WRIT OF CERTIORARI

UPON CONSIDERATION of the application of counsel for petitioner,

IT IS ORDERED that the time for filing a petition for writ of certiorari in the above-entitled cause be, and the same is hereby, extended to and including January 9, 1981.

/s/ Lewis F. Powell, Jr.
Associate Justice of the
Supreme Court of the
United States

Dated this 28th day
of October, 1980

APPENDIX D

AMENDMENT VII - CIVIL TRIALS

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

§ 1051. Registration; application; payment of fees; designation of resident for service of process and notice

The owner of a trademark used in commerce may regiser his trademark under this chapter on the principal register established:

(a) By filing in the Patent and Trademark Office --

(1) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods, and including a statement to the effect that the person making the verification believes himself, of the firm, corporation, or association in whose behalf he makes the verification, to be the owner of the mark sought to be registered, that the mark is in use in commerce, and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near

resemblance thereto as to be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive: Provided, That in the case of every application claiming concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any concurrent use by others, the goods in connection with which and the areas in which each concurrent use exists, the periods of each use, and the goods and area for which the applicant desires registration;

(2) a drawing of the mark; and

(3) such number of specimens or facsimiles of the mark as actually used as may be required by the Commissioner.

(b) By paying into the Patent and Trademark Office the filing fee.

(c) By complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner.

(d) If the applicant is not domiciled in the United States he shall designate by a written document filed in the Patent and Trademark Office the name and address or some person resident in the United States on whom may be served notices or process in proceedings affecting the mark. Such notices or process may be served upon the person so designated by leaving with him or mailing to

him a copy thereof at the address specified in the last designation so filed. If the person so designated cannot be found at the address given in the last designation, such notice or process may be served upon the Commissioner.

July 5, 1946, c. 540, Title I, § 1, 60 Stat. 427; Oct. 9, 1962, Pub.L. 87-772, § 1, 76 Stat. 769; Jan. 2, 1975, Pub.L. 93-596, § 1, 88 Stat. 1949.

§ 1064. Cancellation of registration

A verified petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed by any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905--

(b) within five years from the date of publication under section 1062(c) of this title of a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905; or

(c) at any time if the registered mark becomes the common descriptive name of an article or substance, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 1054 of this title or of subsections (a), (b), or (c) of section 1052 of this title for a registration hereunder, or contrary to similar prohibitory provisions of said prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(d) at any time if the mark is registered under the Act of March 3, 1881, or the Act of February 20, 1905,

and has not been published under the provisions of subsection (c) of section 1062 of this title; or

(e) at any time in the case of a certification mark on the ground that the registrant (1) does not control, or is not able legitimately to exercise control over, the use of such mark, or (2) engages in the production or marketing of any goods or services to which the certification mark is applied, or (3) permits the use of the certification mark for purposes other than to certify, or (4) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies;

Provided, That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (e) of this section any mark registered on the principal register established by this chapter, and the prescribed fee shall not be required. July 5, 1946, c. 540, Title I, § 14, 60 Stat. 433; Oct. 9, 1962, Pub.L. 87-772, § 9, 76 Stat. 771.

§ 1065. Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: Provided, That--

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive

years and is still in use in commerce, and the other matters specified in subsections (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this chapter shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within one year after the expiration of any period of five consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 1062 of this title.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

July 5, 1946, c. 540, Title I, § 15, 60 Stat. 433; Oct. 9, 1962, Pub.L. 87-772, § 10, 76 Stat. 771.

§ 1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant --

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably immitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) of this section, the registrant shall not be

entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of the right infringed shall be limited as follows: (a) Where an infringer is engaged solely in the business of printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction against future printing; (b) where the infringement complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the publisher or distributor of such newspaper, magazine, or other similar periodical shall be confined to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodical: Provided, That these limitations shall apply only to innocent infringers; (c) injunction relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter when restraining the dissemination of such infringing matter in any particular issue of such periodical would delay the delivery of such issue after the regular time therefor, and such delay would be due to the method by

which publication and distribution of such periodical is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter. July 5, 1946, c. 540, Title VI, § 32, 60 Stat. 437; Oct. 9, 1962, Pub.L. 87-772, § 17, 76 Stat. 773.

§ 1115. Same; registration on principal register as evidence of exclusive right to use mark; defenses

(a) Any registration issued under the Act of March 5, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to described to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: Provided, however, That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: Provided, however, That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

July 5, 1946, c. 540, Title VI, § 33, 60 Stat. 438; Oct. 9, 1962, Pub.L. 87-772, § 18, 76 Stat. 774.

§ 1125. False designations of origin and false descriptions for bidden

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

(b) Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this chapter in cases involving goods refused entry or seized.

July 5, 1946, c. 540, Title VIII, § 43, 60 Stat. 441.

§ 1127. Construction and definitions; intent of chapter

In the construction of this chapter, unless the contrary is plainly apparent from the context--

The United States includes and embraces all territory which is under its jurisdiction and control.

The word "commerce" means all commerce which may lawfully be regulated by Congress.

The term "principal register" refers to the register provided for by section 1051 to 1072 of this title, and the term "supplemental register" refers to the register provided for by sections 1091 to 1096 of this title.

The term "person" and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this chapter includes a juristic person as well as a natural person. The term "juristic person" includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The terms "applicant" and "registrant" embrace the legal representatives, predecessors, successors and assigns of such applicant or registrant.

The term "Commissioner" means the Commissioner of Patents.

The term "related company" means any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used.

The terms "trade name" and "commercial name" include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations, or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing, industrial, commercial, agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

The term "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons

other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

The term "collective mark" means a trade-mark or service mark used by the members of a cooprative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.

The term "mark" includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this chapter whether registered or not.

For purposes of this chapter a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one state or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

A mark shall be deemed to be "abandoned" --

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances.

Nonuse for two consecutive years shall be prima facie abandonment.

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.

The term "colorable imitation" includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive.

The term "registered mark" mean a mark registered in the United Stats Patent Office under this chapter or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The phrase "marks registered in the Patent Office" means registered marks.

The term "Act of March 3, 1881", "Act of February 20, 1905", or "Act of March 19, 1920," means the respective Act as amended.

A "counterfeit" is a spurious mark which is identical with, or substantialy indistinguishable from, a registered mark.

Words used in the singular include the plural and vice versa.

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair

competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United Stats and foreign nations.

July 5, 1946, c. 540, Title X, § 45, 60 Stat. 443; Oct. 9, 1962, Pub.L. 87-772, § 21, 76 Stat. 774.

APPENDIX E

SPECIAL ISSUE NO. SEVEN

Do you find from a preponderance of the evidence that Shell's uses of its product name "Rabon® Oral Larvicide" are acts of unfair competition?

Answer "~~It was an act of unfair competition~~" IT WAS AN ACT OF UNFAIR COMPETITION

or

Answer "~~It was not an act of unfair competition~~"

Answer "_____"

_____

"Unfair competition" as used in the above issue and issue number Nine is defined as the passing off of one's goods or services as those of another, in a manner that is likely to confuse, or

mislead potential customers into believing that such goods or services have emanated from or have been endorsed by the latter. You are advised that in answering this issue that the plaintiff, Soweco, need not have shown actual confuson of potential customers, but only a likelihood of confusion.

APPENDIX F

SPECIAL ISSUE NO. NINE

Do you find from a preponderance of the evidence that Shell's uses of its product name, POULTRY SPRAY & LARVICIDE, ar acts of unfair competition:

Answer "It was an act of unfair competition"

or

"~~It was not an act of unfair competition~~"

Answer: _____

_____

APPENDIX G

SPECIAL ISSUE NO. ELEVEN

Do you find from a preponderance of the evidence that Shell intended to and does use the product name "Rabon® Oral Larvicide" as a word combination adopted by Shell to identify its goods and to distinguish them from those manufactured or sold by others?

ANSWER Yes ~~or No?~~

ANSWER: _____

APPENDIX H

SPECIAL ISSUE NO. TWELVE

Do you find from a preponderance of the evidence that Shell intended to and does use the product name POULTRY SPRAY & LARVICIDE as a word combination adopted by it to identify its goods and to distinguish them from those manufactured or sold by ~~others~~ another?

ANSWER "Yes ~~or No~~

ANSWER: _____

APPENDIX I

SPECIAL ISSUE NO. NINETEEN

Do you find from a preponderance of the evidence that Shell has use the word "larvicide" otherwise than as a trade mark fairly and in good faith only to describe to users the nature of its products?

Answer "Shell has fairly and in good faith used the word 'larvicide' only to describe the nature of its products"

or

"~~Shell has not fairly and in good faith used the word Larvicide only to describe to its users the nature of its products~~"

Answer: _____

_____

In connection with the foregoing issue, you are instructed that the word "fairly" means something that is charac-

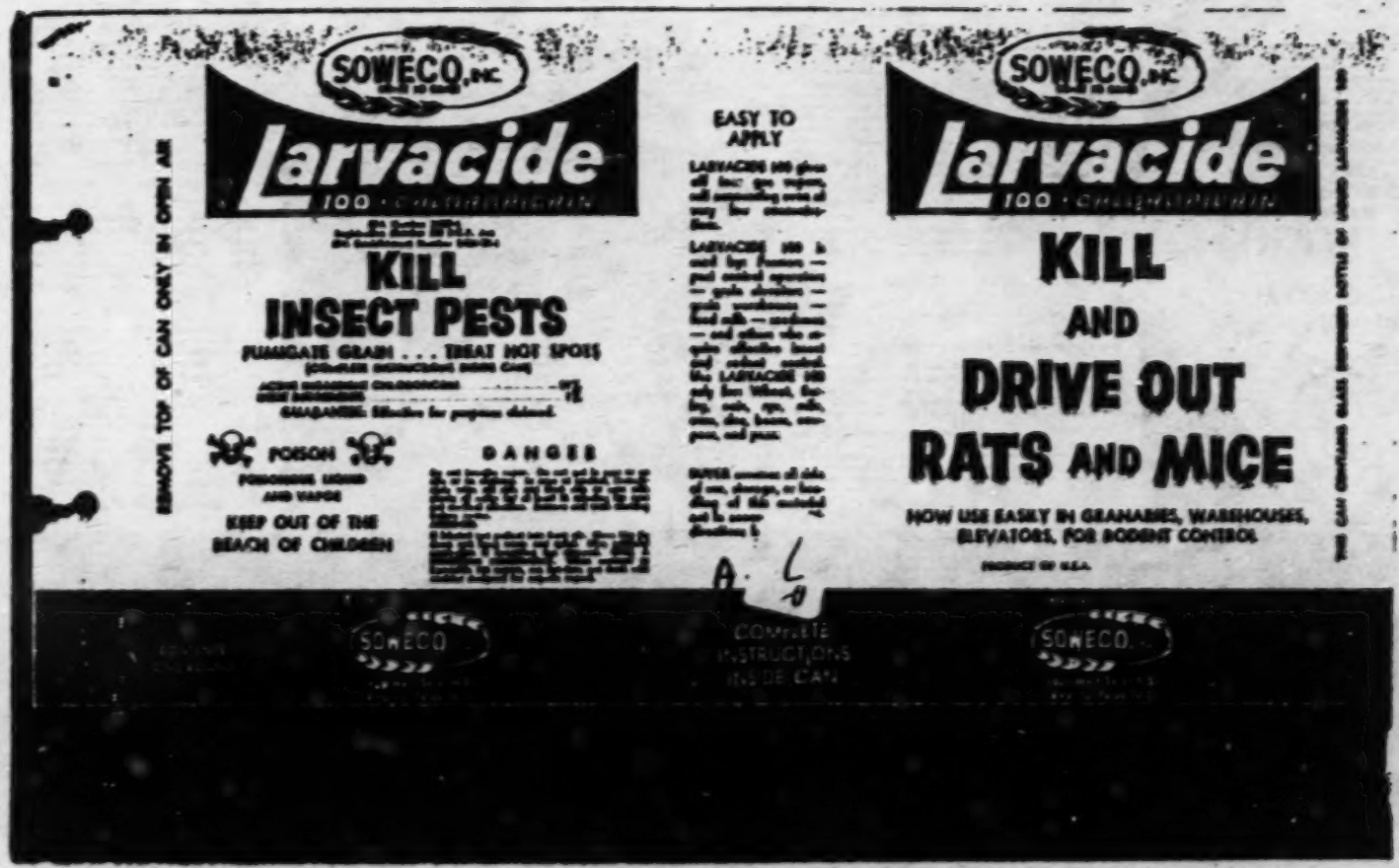
terized by honesty and not done with deceit or wrongful intent.

The term "good faith" means something that is done with pure intent and not with an intent to injure or harass, vex or annoy.

The term "trademark" includes a word, name, symbol or device, or any combination thereof, adopted and used by a manufacturer or merchant to identify his goods and to distinguish tose goods from those manufactured or sold by others.

APPENDIX J

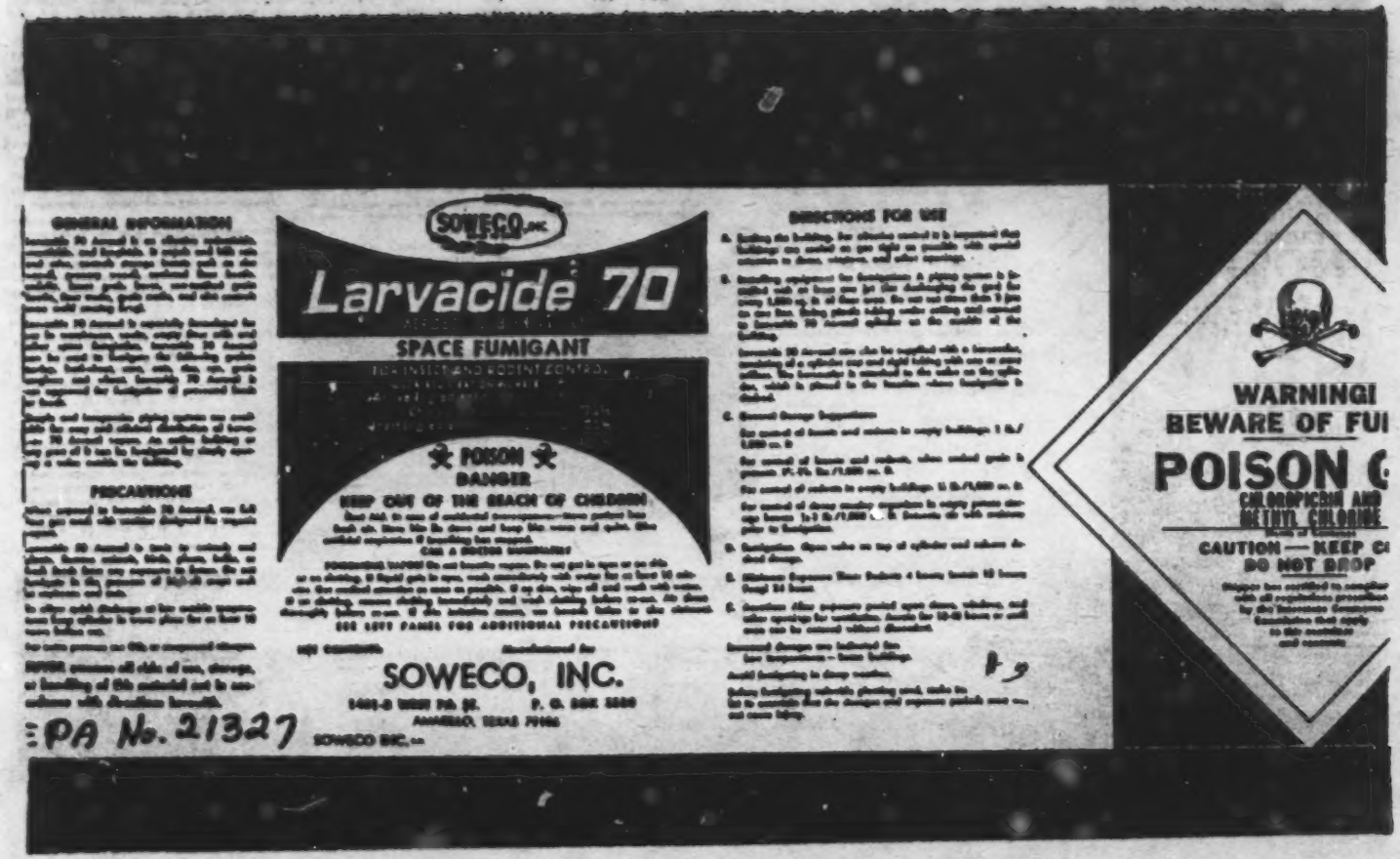
USES OF INCONTESTABLE TRADEMARK "LARVACIDE" BY PETITIONER


SOWECO, INC.
Larvacide
100
REMOVE TOP OF CAN ONLY IN OPEN AIR
KILL
INSECT PESTS
FUMIGATE GRAIN . . . TREAT HOT SPOTS
POISON
POISONOUS LIQUID AND VAPOR
KEEP OUT OF THE REACH OF CHILDREN
DANGER
EASY TO APPLY
COMPLETE INSTRUCTIONS INSIDE CAN
SOWECO, INC.
Larvacide
100
KILL
AND
DRIVE OUT
RATS AND MICE
HOW USE EASILY IN GRANARIES, WAREHOUSES, ELEVATORS, FOR BOOSNT CONTROL
SOWECO
SOWECO

81a

WARNING
BEWARE OF I
POISON (
CHLOROPICRIN /
METHYLENE DIBRO
CAUTION — KEEP
DO NOT BREA
SOILTECH
Larvacide
SOIL FUMIGANT
POISON
SOILTECH

SOWECO, INC.
Larvacide 15
LIQUID GRAIN FUMIGANT
POISON
DANGER
KEEP OUT OF REACH OF CHILDREN
SOWECO, INC.
WARNI
POISO
CAUTION—DO NO
DON'T
EPA No. 21327



GENERAL INFORMATION

PRECAUTIONS

SOWECO INC.

Larvacide 70

SPACE FUMIGANT

POISON

DANGER

KEEP OUT OF THE REACH OF CHILDREN

SEE LEFT PANEL FOR ADDITIONAL PRECAUTIONS

Manufactured for

SOWECO, INC.

P. O. BOX

SOWECO INC.—

DIRECTIONS FOR USE

WARNING!

BEWARE OF FUI

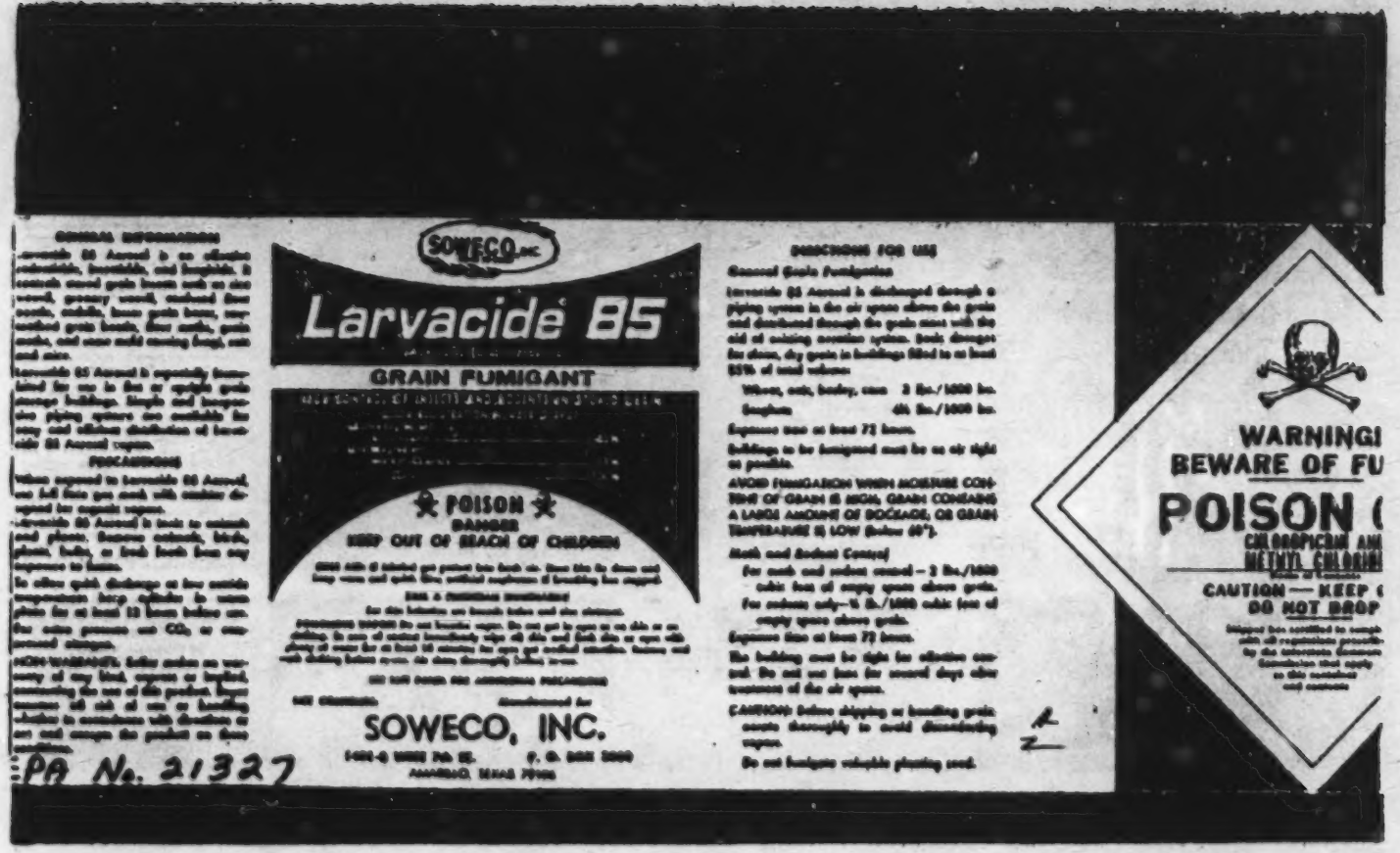
POISON G

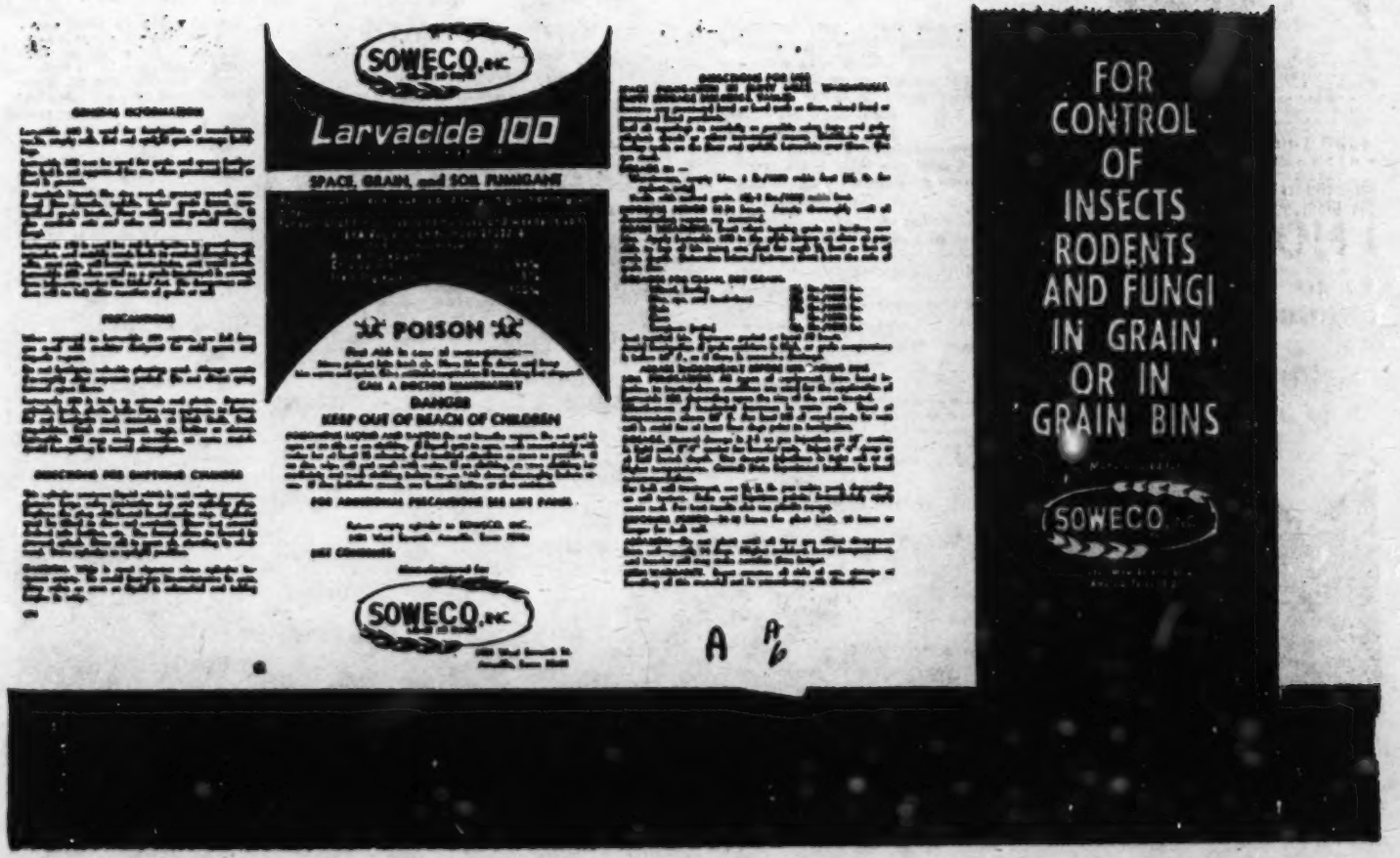
CAUTION — KEEP C

DO NOT DROP

EPA No. 21327

848


SOWECO, INC.
Larvacide 85
GRAIN FUMIGANT
POISON
DANGER
KEEP OUT OF REACH OF CHILDREN
SOWECO, INC.
DIRECTIONS FOR USE
General Grain Fumigation
WARNING!
BEWARE OF FU
POISON
CAUTION — KEEP
DO NOT DROP
PA No. 21327


SOWECO, INC.
Larvacide 100
SPACE, GRAIN, and SOIL FUMIGANT
POISON
CALL A DOCTOR IMMEDIATELY
DANGER
KEEP OUT OF REACH OF CHILDREN
SOWECO, INC.
FOR CONTROL OF INSECTS RODENTS AND FUNGI IN GRAIN. OR IN GRAIN BINS
SOWECO

86a

APPENDIX K

INFRINGING IMITATIONS AND USES OF PETITIONER'S TRADEMARK BY RESPONDENT

RABON® ORAL LARVICIDE

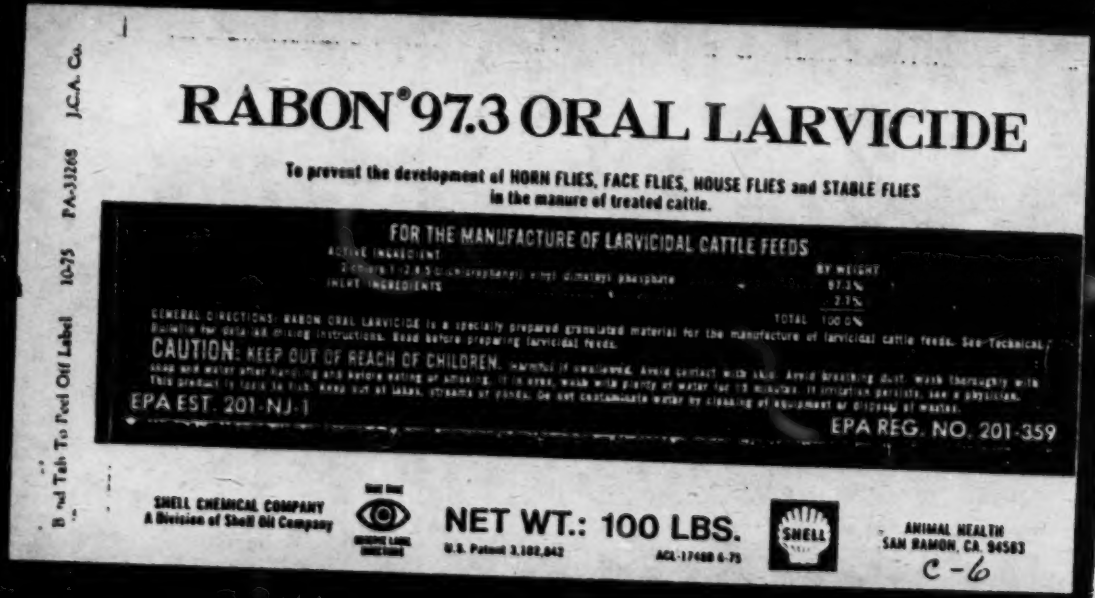
How It Works

RABON® ORAL LARVICIDE is a compound which is fed to animals, passes through the digestive tract, and reaches the manure in sufficient concentration to kill fly larvae.

RABON will survive long enough in aging manure to control fly larval development until the manure pat becomes naturally uninhabitable to fly larvae. It gives lasting control of fly larvae, but does not harm beneficial insects that aid in the breakdown of manure.

Extensive Field Trials

From 1966 through 1973, 8 dairy trials and 31 beef trials in 12 states were carried out. In total, 790 head of dairy cattle and 8,700 head of beef cattle were involved. These trials helped establish the label claims for RABON ORAL LARVICIDE.


Bend Tab To Peel Off Label 10-75 PA-33268 JCA Co.
RABON® 97.3 ORAL LARVICIDE
To prevent the development of HORN FLIES, FACE FLIES, HOUSE FLIES and STABLE FLIES in the manure of treated cattle.
FOR THE MANUFACTURE OF LARVICIDAL CATTLE FEEDS
ACTIVE INGREDIENT
INERT INGREDIENTS
BY WEIGHT
97.3%
2.7%
TOTAL 100.0%
GENERAL DIRECTIONS: RABON ORAL LARVICIDE is a specially prepared granulated material for the manufacture of larvicidal cattle feeds. See Technical Bulletin for detailed mixing instructions. Read before preparing larvicidal feeds.
CAUTION: KEEP OUT OF REACH OF CHILDREN. Harmful if swallowed. Avoid contact with skin. Avoid breathing dust. Wash thoroughly with soap and water after handling and before eating or smoking. If in eyes, wash with plenty of water for 15 minutes. If irritation persists, see a physician. This product is toxic to fish. Keep out of lakes, streams or ponds. Do not contaminate water by cleaning of equipment or disposal of wastes.
EPA EST. 201-NJ-1
EPA REG. NO. 201-359
SHELL CHEMICAL COMPANY
A Division of Shell Oil Company
NET WT.: 100 LBS.
U.S. Patent 3,102,842
ACL-17488 6-75
SHELL
ANIMAL HEALTH
SAN RAMON, CA. 94583
C-6

CADCO

C-5

RABON® ORAL LARVICIDE

PREMIX

To prevent the development of Horn Flies, Face Flies, House Flies and Stable Flies in the manure of treated cattle.

ACTIVE INGREDIENTS	BY WEIGHT
2-chloro-1-(2,4,5-trichlorophenyl) vinyl dimethyl phosphate	7.76%
INERT INGREDIENTS	92.24%
TOTAL	100.00%

Roughage Products, Calcium Carbonate and Mineral Oil.

KEEP OUT OF REACH OF CHILDREN

CAUTION

See side panel for additional precautionary statements

PRECAUTIONARY STATEMENTS

HAZARDS TO HUMANS

CAUTION

Harmful if swallowed. Avoid contact with skin and eyes. Avoid breathing dust. Wash thoroughly with soap and water after handling and before eating or smoking. If in eyes, wash with plenty of water for 15 minutes. If irritation persists, see a physician.

ENVIRONMENTAL HAZARDS

This product is toxic to fish. Keep out of lakes, streams or ponds. Do not contaminate water by cleaning of equipment or disposal of wastes.

DIRECTIONS FOR USE

GENERAL CLASSIFICATION

It is a violation of Federal law to use this product in a manner inconsistent with its labeling.

When fed to cattle, RABON® ORAL LARVICIDE passes through the digestive system into the animal's manure where it kills fly larvae on contact shortly after the eggs hatch. By preventing fly development, RABON® ORAL LARVICIDE helps to control horn flies and face flies on pasture and house flies and stable flies in and around cattle lots.

MANUFACTURED BY
CADCO, INC.
19100 DOUGLAS
DES MOINES, IOWA 50322

EPA Est. NO. 0810TIA01 EPA Reg. No. 8102-19

NET WT. 45 LBS.

RABON® ORAL LARVICIDE Premix will mix uniformly in cattle feeds when standard mixing procedures are followed. Thus usual problems that are common to all feed preparation and which cause stratification, such as excessive free-fall or excessive handling are to be avoided. It is recommended that appropriate prebleeding techniques be employed to assure adequate distribution of RABON® ORAL LARVICIDE Premix throughout the feed mix. The premix should be prebleeded with ground grain, protein supplements, mineral mixes e.g., before being added to roughages, such as chopped hay or silage. Mixing time should be adequate to assure uniform dispersion. Optimum performance can be assured only if RABON® ORAL LARVICIDE Premix is dispersed uniformly with the feedstuff at the recommended level. Common feed mixing equipment (i.e., vertical mixers, horizontal blenders, mixer/feeder trucks) may be used to prepare formulated feeds.

Feeds prepared with RABON® ORAL LARVICIDE Premix should not be pelleted, nor be mixed with feeds containing predominantly pellets. Further, RABON® ORAL LARVICIDE Premix should not be mixed in liquid feed supplements.

In a Concentrate Feed - Roughage Fed Separately

RABON® ORAL LARVICIDE Premix can be used to prepare concentrate feeds that will provide 792 mg of RABON® per animal per day.

To prepare a larvicidal concentrate feed, mix RABON® ORAL LARVICIDE Premix according to the amount of concentrate to be fed per animal per day. Use the following table as a guide for determining the proper mixing rate.

MIXING DIRECTIONS

Pounds of Concentrate Consumed per Animal per Day	RABON® in the Concentrate mg/lb	%	Pounds of RABON® ORAL LARVICIDE Premix per Ton of Concentrate
.5	1584	0.35	90.0
1.0	792	0.18	45.0
1.5	528	0.12	30.0
2.0	396	0.087	22.5
5.0	158	0.035	9.0
10.0	79	0.018	4.5
15.0	53	0.012	3.0
20.0	39	0.0087	2.3
25.0	32	0.0069	1.8
30.0	26	0.0058	1.5

Feed the appropriate larvicidal concentrate to cattle weighing between 400 and 1200 pounds. For larger cattle weighing between 1200-1700 pounds, increase the amount of concentrate fed to 1½ times that recommended.

Start feeding RABON® larvicidal feeds early in the spring before flies begin to appear and continue feeding throughout the summer and into the fall until cold weather restricts fly activity.

Rations containing RABON® ORAL LARVICIDE may be fed up to slaughter and to lactating dairy cows without withholding the milk from market during or after treatment.

RABON® ORAL LARVICIDE prevents the development of horn flies, face flies, house flies, and stable flies in the manure of treated cattle but is not effective against existing adult flies.

In some cases, supplemental fly control measures may be needed in and around cattle lots and barns to control adult house flies and stable flies which can breed not only in cattle manure but other decaying vegetable matter or silage on the premises.

In order to achieve optimum fly control, RABON® ORAL LARVICIDE should be used in conjunction with other good management and sanitation practices.

In a Complete Ration - No Other Roughage Fed

RABON® ORAL LARVICIDE Premix can be used to prepare rations that contain 26.4 mg of RABON® per pound of complete ration.

To prepare a larvicidal ration, mix 1.5 pounds of RABON® ORAL LARVICIDE Premix per ton of complete mixed ration containing 2000 grain and roughage.

Fed at this larvicidal concentration ration to feeder cattle weighing from 400 to 1400 pounds or more, dairy cattle at a rate to sustain milk production, but not less than 4.8 pounds of the ration per 100 pounds of body weight daily.

STORAGE AND DISPOSAL

Do not contaminate water or food by storage or disposal. Open dumping is prohibited. Dispose of in an incinerator or landfill approved for pesticide containers, or burn in a safe place.

5670 85

721779

U.S. Patent No. 3,102,842

SHELL
ANIMAL HEALTH

POULTRY SPRAY & LARVICIDE

EMULSIFIABLE

One versatile product that provides control of mites and lice on poultry ...plus effective fly, fowl tick, and maggot control in and around poultry buildings.

Shell Poultry Spray & Larvicide is a specially prepared formulation combining the proven features of RABON® and VAPONA®. Apply directly to birds for effective control of mites and lice. Spray buildings for residual control of ticks (Blue Bug) and flies, and treat manure for control of fly maggots.

DIRECT MITE AND LICE CONTROL

Shell Poultry Spray & Larvicide effectively controls both Northern Fowl Mites and Chicken Red Mites as well as lice. When applied directly to poultry, it quickly kills these costly parasites right on the bird and also provides long-lasting residual control to kill new mites and lice as they hatch.

NO MEAT OR EGG RESIDUE

There is no residue in meat or eggs from Shell Poultry Spray & Larvicide when used as directed.

POSITIVE TICK, FLY, AND LARVAE CONTROL

Shell Poultry Spray & Larvicide provides effective and long-lasting tick, fly, and maggot control. Use it to treat litter, walls, and roosts. Good for other areas around the poultry house to provide immediate tick and fly control. Eliminating flies in the larval stage controls re-infestation and is your solution to future fly problems.

EASY, YET ECONOMICAL

Shell Poultry Spray & Larvicide combines quick and long-lasting mite, lice, tick, fly, and maggot control into one product which can be sprayed both directly on birds and in or around poultry buildings. It mixes easily with water for economy and can be applied with conventional spray equipment.

TO GET THE MOST FOR YOUR INSECTICIDE DOLLAR

The proper use of insecticides can provide effective and economical control. Label information and application instructions for Shell Poultry Spray & Larvicide are printed on the back of this sheet. They should be read and followed.

POULTRY SPRAY & LARVICIDE

EMULSIFIABLE

Contains RABON* and VAPONA* Insecticides

Controls NORTHERN FOWL MITES, CHICKEN MITES, and LICE on or around CHICKENS, & Controls FLIES as a RESIDUAL SURFACE SPRAY and LARVICIDE

ACTIVE INGREDIENTS	BY WEIGHT
2-Chloro-1-(2,4,5-trichlorophenyl) vinyl dimethyl phosphate	23.0%*
2,2-Dichlorovinyl dimethyl phosphate	5.3%**
Related Compounds	0.4%**
Xylene	48.3%
INERT INGREDIENTS	23.0%
TOTAL	100.0%

EPA Reg. No. 201-383 ZA

*RABON® Insecticide **Equivalent to 5.7% VAPONA® Insecticide

p2c18

MUST BE DILUTED

GENERAL DIRECTIONS

Shell Poultry Spray & Larvicide is suitable for use in conventional power or low pressure knapsack sprayers; however, with direct application to chickens, power spray at no less than 100-125 psi is recommended. Follow the USE DIRECTIONS for the proper percent solution needed for specific insect control. Refer to the DILUTION TABLE for the quantity of insecticide needed to make the percent solution indicated.

USE DIRECTIONS

INSECT	USE	SOLUTION	REMARKS
LICE & Mites	Caged Chickens	0.5%	Apply 1 gal. of solution 100 birds under high pressure (no less than 100-125 psi) to the vent and fluff areas from below. Repeat when necessary; however, not more often than every 14 days. For individual bird treatment apply 1 ounce of solution per bird. Treat roosters carefully to avoid reinfestation of breeding flocks.
	Chickens on litter	0.5%	Apply 1-2 gal. of solution/1000 sq. ft. evenly with penetration of litter surface. Also apply thoroughly to walls, roosts, cracks and crevices. Spray birds lightly.
	Roost Paint	1%	Apply 1 pt. of solution/100 ft. of roost area with brush or spray.
FOWL TICK (Blue Bug)	Poultry Buildings	1%	Apply 1 gal. of solution/100-150 sq. ft. to thoroughly cover walls, ceiling, floors, cracks, and crevices using high pressure spray.
FLIES	Residual Surface Spray	1% Or 2%	Apply 1 gal. of solution/500-1000 sq. ft. to thoroughly cover walls, ceilings, or other areas where flies rest or congregate. Extreme infestations may necessitate increasing the solution to a 2% level.
MAGGOTS (fly larvae)	Larvicide	1%	Apply 1 gal. of solution/100 sq. ft. of droppings as a coarse spray. Repeat at 7-10 day intervals until droppings begin to cake up, then treat only "hot spots" (small areas found to have large numbers of maggots). Do not spray birds directly.

DILUTION TABLE

AMOUNT OF POULTRY SPRAY & LARVICIDE	AMOUNT OF WATER (GALLONS)		
	0.5% Solution	1% Solution	2% Solution
1 pt.	6	3	1½
1 qt.	12	6	3
1 gal.	50	25	12½
5 gal.	250	125	62½

FIRST AID FOR EYES

SEE LABEL DIRECTIONS

DANGER

KEEP OUT OF REACH OF CHILDREN AND DOMESTIC ANIMALS.

DANGER

Keep Out of Reach of Children. Emulsifiable is corrosive and causes eye damage and skin irritation. Do not get in eyes, on skin or on clothing. Wear goggles or face shield and rubber gloves when handling emulsifiable. May be fatal if swallowed, inhaled, or absorbed through skin.

FIRST AID

In case of contact, immediately flush eyes or skin with plenty of water for 15 minutes. For eyes, call a physician. Remove and wash contaminated clothing before reuse.

If swallowed, drink promptly a large quantity of milk, egg whites, gelatin solution or if these are not available, drink large quantities of water. Avoid alcohol. Call a physician immediately.

Atropine is antidotal. 2-PAM is also antidotal and may be administered in conjunction with atropine.

PRECAUTIONS IN USING

Do not breathe vapors or spray mist. Wash thoroughly with soap and water after handling and before eating or smoking. Wear clean clothing. During prolonged exposure, wear clean rubber gloves and a mask or respirator of a type recommended by the U.S. Bureau of Mines to give adequate protection against this material.

Apply this product only as specified on this label. Not for use or storage in or around the home. Do not apply where runoff is likely to occur. Do not apply when weather conditions favor drift from treated areas. Avoid contamination of food.

This product is toxic to fish and wildlife. Birds feeding on treated areas may be killed. Keep out of lakes, streams and ponds.

DO NOT USE, POUR, SPILL OR STORE NEAR HEAT OR OPEN FLAME. (FLASH POINT, 73° F.). DECONTAMINATE & DESTROY USED CONTAINERS.

Decontaminate used containers by washing thoroughly with a dilute solution of caustic (less than 5%) and detergent. CAUTION: Avoid skin and eye contact with caustic solutions.

Rinse containers with water and dispose of the washings in such a way that you do not constitute a hazard to or contaminate water supplies. Destroy containers by crushing and puncturing; then bury.

NOTICE OF WARRANTY

SHELL CHEMICAL COMPANY MAKES NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PURPOSE, OR OTHERWISE, EXPRESS OR IMPLIED, concerning this product or its uses which extend beyond the use of the product under normal conditions in accord with the statements made on this label.

ACD-3899

SHELL CHEMICAL COMPANY
A Division of Shell Oil Company

SHELL

ANIMAL HEALTH
San Ramon, California 94583

Printed in U.S.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1980

No. 80-1142

SOWECO, INC.,

Petitioner,

v.

SHELL OIL COMPANY AND
SHELL CHEMICAL COMPANY,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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FIDELITY PRINTING COMPANY, HOUSTON, TEXAS

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IN THE

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OCTOBER TERM, 1980

No. 80-1142

SOWECO, INC.,

Petitioner,

v.

SHELL OIL COMPANY AND
SHELL CHEMICAL COMPANY,

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BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

This is a private trademark dispute between Petitioner and Respondents having considerable factual and legal complexities, but absolutely no issue of substantial public significance. Petitioner Soweco owned a federal registration for the mark LARVACIDE for use on grain and soil fumigants. Respondent Shell[1] was using the word "larvicide" (in the commonly-accepted dictionary meaning of that word) to fairly describe its cattle and poultry products as agents for killing fly larvae.

This Court long ago addressed and settled the issue presented by these facts. Because of the importance that descriptive terms and common descriptive names (i.e., generic terms) remain in

[1] Shell Chemical Company is an operating division of Shell Oil Company (R.763); these entities will be referred to herein as "Respondent" or "Shell." In accordance with Rule 28.1, Shell's affiliated companies are listed in Appendix 1.

the public domain for use in their normal *descriptive* sense, public policy mandated that such use be freely allowed. This basic principle was essentially codified in the Lanham Act, specifically at 15 U.S.C. § 1115(b)(4), 15 U.S.C. § 1065(4), and 15 U.S.C. § 1064(c).

This case received the careful attention of twelve jurors for several days of trial. The findings of the jury were carefully reviewed by an outstanding district judge. An attentive panel of the Fifth Circuit Court of Appeals granted Petitioner an unusually long oral hearing, wrote a lengthy opinion and then considered Petitioner's arguments on motion for rehearing. After careful deliberation, these jurors and judges [twelve jurors, the district judge, and a unanimous panel of three Court of Appeals' judges] came to the same basic conclusion: defendant's use of the word "larvicide" has at all times been a legally permissible "fair use."

The case was correctly decided below; it contains no issue of substantial public significance.

Accordingly, the Petition should be denied.

I. STATEMENT OF THE CASE

An accurate statement of the facts may be found in the opinion of the Court of Appeals for the Fifth Circuit, 617 F.2d 1178, 1181-82 (5th Cir. 1980).[2]

This litigation concerns the word "larvicide" and Shell's right to use that word in advertising and labeling its products that are

---

[2] This section of the opinion below, 617 F.2d at 1181-82 which is included at pages 5a-6a of Appendix A to the Petition, contains one misstatement. The third footnote incorrectly indicates that Soweco was formed in 1977. The correct year is 1974 (Tr. Vol. I at 14).

For convenience, future references to the opinion below will be made by citation to both the Federal Reporter and to the Appendices to the Petition for a Writ of Certiorari, e.g. 617 F.2d at 1181-82, App. A at 5a-6a.

effective to kill insect larvae. The word is defined in *Webster's Third New International Dictionary* as follows:

> larvicide *also* larvacide: an insecticide or other pesticide used for killing larvae — compare adulticide.

(DX 1; Tr. Vol. IVA at 291, 296; Tr. Vol. V at 357).

As the evidence showed, the word "larvicide" is defined in a similar fashion in many other dictionaries.[3] In short, the word "larvicide" has a commonly-accepted meaning in the English language, which is: *something that kills larvae.*

Use of the word has not been confined to the lexicographer. Quite to the contrary, the word "larvicide" has been extensively used for many years (since at least as early as 1900) in such reputable journals as the *British Medical Journal* (Tr. Vol. IVA at 300), and has been consistently used over the years in government publications, including publications of the United States Department of Agriculture, and in other technical literature such as *Biological Abstracts* (Tr. Vol. IVA at 299-301). In all of these uses, the term has been used to define or mean, *an agent or substance for killing larvae.*

The word "larvicide" is formed from the suffix *-cide,* meaning "killer," and the prefix *larva,* indicating what is killed, i.e., the word is formed in the same way as many other commonly used words such as *pesticide, herbicide, fungicide, insecticide, homicide* and *suicide.*

II. SUMMARY OF ARGUMENT

The Petition raises two issues (couched by Petitioner as three reasons) for consideration by this Court.

---

[3] See for example, *Webster's New International Dictionary, Second Edition* (1934) (DX2A, Tr. Vol. IVA at 296), *Webster's New Collegiate Dictionary* (DX 2B, Tr. Vol. IVA at 296), *Funk and Wagnalls Standard Dictionary of the English Language* (DX 2C, Tr. Vol. IVA at 297), and *The Oxford English Dictionary* (DX 2D, Tr. Vol. IVA at 297) (DX 2A-2D were introduced into evidence at Tr. Vol. V at 357).

The first issue is whether Petitioner was denied its right to trial by jury under the Seventh Amendment, because of the granting of a judgment notwithstanding the verdict on Petitioner's state law unfair competition count. Rule 50(b) Fed. R. Civ. P., and the decisions of this Court addressing the rule, have upheld the constitutionality of this procedure.

The second issue is whether the court below properly construed the jury verdict in rendering judgment for Respondent based on the "fair use" defense, 15 U.S.C. §1115(b) (4). Explicit in the jury verdict was that Respondent used the word "larvicide" otherwise than as a trademark. The interpretation of the jury verdict, therefore, is consistent with the provisions of the statute, and relief under the Lanham Act was properly denied.

A careful reading of the opinion below illustrates that it presents no conflict with the "Erie Doctrine." Rather, the state law was fully considered and applied. 617 F.2d at 1190-91, App. A at 16a-17a.

The issues presented by Petitioner, therefore, revolve solely around decisions made below as to the sufficiency of the evidence and as to the interpretation of the jury verdict. There are no new issues of substantial public significance presented to the Court.

III. ARGUMENT

A. The Petitioner was Accorded its Right to Trial by Jury — The Constitutionality of Rule 50(b), Federal Rules of Civil Procedure, is Well Established

Petitioner urges that it was denied its right to trial by jury in two ways. First, Petitioner argues (through a convoluted reading of Special Issues Nos. Seven, Nine, Eleven and Twelve), that denial of relief on its Lanham Act count is contrary to the jury's verdict. Second, Petitioner argues that entry of judgment notwithstanding the verdict on the state law count deprived it of trial by jury. In fact, both judgments were based on the findings of the jury and are supported by such findings.

1. Lanham Act count

The jury found that Shell's use of the word "larvicide" was a fair use in the following special issue:

SPECIAL ISSUE NO. NINETEEN

> Do you find from a preponderance of the evidence that Shell has used the word "larvicide" *otherwise than as a trademark* fairly and in good faith only to describe to users the nature of its products? (emphasis added)
>
> In connection with the foregoing issue, you are instructed that the word "fairly" means something that is characterized by honesty and not done with deceit or wrongful intent.
>
> The term "good faith" means something that is done with pure intent and not with an intent to injure or harass, vex or annoy.
>
> The term "trademark" includes a word, name, symbol or device, or any combination thereof, adopted and used by a manufacturer or merchant to identify his goods and to distinguish those goods from those manufactured or sold by others.
>
> *Answer:* Shell has fairly and in good faith used the word "larvicide" only to describe the nature of its products.

617 F.2d at 1196, App. A at 23a.

The basic principles which are now referred to as "fair use" developed at common law from the decisions of this Court and were codified in the Lanham Act as Section 33(b)(4), 15 U.S.C. §1115(b)(4).

The rule developed at common law that terms which are merely descriptive of the qualities, ingredients or characteristics of a product cannot be appropriated by any one person to the exclusion of all others. *Delaware & Hudson Canal Co.* v. *Clark*, 80 U.S. (13 Wall) 311 (1872); *Standard Paint Co.* v. *Trinidad Asphalt Manufacturing Co.*, 220 U.S. 446 (1911); *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526 (1924).

There are two basic reasons for the common law rule regarding descriptive marks. One is that a descriptive term cannot function to identify and distinguish the goods of only one seller in the marketplace. The second, and the one of importance in the present context, is that descriptive terms are words in the public domain, and it is fundamental that all persons should be free to use those terms *to describe* their goods. *See, Estate of P. D. Beckworth, Inc.* v. *Commissioner of Patents,* 252 U.S. 538 (1920).

Thus, even though there was a right at common law to protect the goodwill and reputation of one's business that attached to a trademark used in conducting the business, the common law recognized a broader public right: that one may not appropriate to his own exclusive use a word which already belongs to the public and which may consequently be freely used by any member of the public.

The principle is illustrated by the case of *Clotworthy* v. *Schepp*, 42 F. 62 (S.D.N.Y. 1890). There, a manufacturer of uncooked pudding sold in packages under the trademark "Puddine," sought to enjoin another's use of the word "pudding" to describe his product. The court held that the manufacturer could not enjoin the maker of a similar preparation from using the word "pudding" to truthfully describe his product.

To discourage commercial fraud, trademark protection for descriptive marks was extended, but only in recognition of consumer acceptance of such marks as denoting only one seller or source. That is, trademark protection was afforded a descriptive term only where the user had proven a "secondary meaning," *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.*, 305 U.S. 315 (1938).

Therefore, it became possible for a word to have two meanings: (1) a primary, descriptive meaning and (2) a secondary, trademark meaning as identifying and distinguishing goods of a particular source. However, under the principles previously

enunciated by this Court, one still could not validly assert an exclusive right against use of a mark in its primary, *descriptive* sense.

When Congress enacted the Lanham Act, it guaranteed that all persons retain the right to use a descriptive term *in its descriptive sense*. Thus, a defense, even where a registered mark has become technically "incontestable" under provisions of the Act, is afforded upon demonstration by a defendant that his

> use of the name, term or device charged to be an infringement is a use, otherwise than as a trade or service mark, . . . of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party. . . .

15 U.S.C. §1115(b)(4).

The jury here found that Respondent's use of the word "larvicide" was a *fair* use, otherwise than as a trademark, in accordance with the statutory provisions of this defense. The court below relied on this finding as the appropriate finding in denying relief under the Lanham Act. As the court below noted, Special Issues Eleven and Twelve, which are so heavily relied on by Petitioner here, do not present the appropriate inquiry with regard to the fair use defense and should be disregarded for such purposes. The court below was absolutely correct in concluding that these special issues were meaningless, since they "concern various *word combinations*, not simply the term 'larvicide.'" 617 F.2d at 1189, App. A at 14a.[4] The court below properly construed the verdict.

Even if the finding in Special Issue No. Nineteen were not controlling of the Lanham Act count, the answers to Special

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[4] These issues were proposed by Petitioner and were submitted over Respondent's objection [R. 1046-1047]. Indeed, as the court below noted, "It is difficult for us to discern how the jury could have answered Special Issues Eleven and Twelve in the negative; obviously, the word combinations were being used to identify Shell's goods." 617 F.2d at 1189, App. A at 14a.

Issues Nos. One and Three would be .617 F.2d at 1189, n.30, App. A at 15a, n.30.

Petitioner was accorded its right to trial by jury on the Lanham Act count.

2. The state common law count

Fundamental to a common law unfair competition claim (at least in Texas) is a showing that the defendant's use is *likely to confuse* consumers. *Harrelson* v. *Wright,* 339 S.W.2d 712 (Tex. Civ. App.-Eastland 1960, writ. ref'd).

In addressing the issue of likelihood of confusion, the jury here answered as follows:

SPECIAL ISSUE NO. ONE

Do you find from a preponderance of the evidence that the ordinary consumer of agricultural chemical products, giving that attention which such persons usually give in consuming the product in question, would likely be mistaken, confused, or deceived by Shell's use of the product name "Rabon® Oral Larvicide" so as to cause such consumer to believe that Shell's product is in some way connected with Soweco's product named "Larvacide"?

Answer: The ordinary consumer is NOT likely to be confused.

SPECIAL ISSUE NO. THREE

Do you find from a preponderance of the evidence that the ordinary consumer of agricultural chemical products, giving that attention which such persons usually give in buying and using the product in question, would likely be mistaken, confused, or deceived by Shell's use of the product name "Poultry Spray and Larvicide" so as to cause such consumers to believe that Shell's product is in some way connected with Soweco's product named "Larvacide"?

Answer: The ordinary consumer would NOT likely be confused.

(emphasis added; instructions omitted).[5]

Both the district court and the court below concluded that there was ample evidence to support these findings and that there was *no* evidence to support the findings in Special Issues Seven and Nine as urged by the Petitioner. 617 F.2d at 1189, n.30 and 1191 App.A at 15a, n.30 and 17a. The judgment n.o.v. entered in accordance with Rule 50(b), Fed.R. Civ.P., was therefore affirmed by the court below looking to the evidence presented at trial and *to the jury's verdict in Special Issues One and Three.*

In attacking the entry of the judgment n.o.v., Petitioner basically attacks the Constitutionality of Rule 50(b). Under Petitioner's theory, all judgments entered notwithstanding the verdict would raise a Constitutional question for this Court.

The law is settled, however, that Rule 50(b) does not violate the Seventh Amendment's guarantee of a jury trial. *Neely* v. *Martin K. Eby Construction Co., Inc.,* 386 U.S. 317, 321 (1967), *reh. denied,* 386 U.S. 1027 (1967). Judgments notwithstanding the verdict are proper because the question of the sufficiency of the evidence is a question of law — outside the province of the jury. *Baltimore & Carolina Line, Inc.* v. *Redman,* 295 U.S. 654, 659 (1935).

Both the court below and the district court found that there was no evidence to support the jury's verdict in Special Issues Nos. Seven and Nine. Both courts also found that Special Issues Nos. One and Three were supported by the evidence. Petitioner was accorded its trial by jury on all counts.

B. The "Fair Use" Defense Precluded Relief Under the Lanham Act

The court below gave full consideration to the arguments now urged by Petitioner regarding Special Issues Nos. Eleven and

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[5] The full text of the special issues appears in the appendix to the opinion below, 617 F.2d at 1192-97, App.A at 18a-24a. These particular special issues appear on pages 1192-93 and in App. A at 18a-19a.

Twelve and Special Issue No. Nineteen, 617 F. 2d at 1189, App. A at 14a.[6] As discussed above, the court properly found Respondent's use to be a fair use in accordance with the jury's verdict. Relief under the Lanham Act is therefore precluded by 35 U.S.C. §1115(b) (4).

In this regard, the testimony quoted on pages 23 and 24 of the Petition bears comment, for Petitioner misses the thrust of its counsel's questions.

The testimony by Mr. Wisnom referred to at page 23 of the Petition pertains only to the initials "R.O.L." Shell placed a trademark notice, (TM) , by those initials, but not by the words for which the initials stand. That testimony is therefore totally irrelevant to the nature of Shell's use of the word "larvicide," or for that matter to any of the issues in this litigation.

Nor does the rest of the testimony quoted bear any relevance to the issue of whether Shell used the word "larvicide" as a trademark. The jury found that Shell did not, and the court below entered judgment on that verdict.

No United States public interest commands this Court to give its time now to rehash these arguments which have already received such careful scrutiny.

C. The Court Below Did Not Apply the Fair Use Defense to the State Cause of Action; Rather, Petitioner's Failure to Prove Likelihood of Confusion Precluded Relief Under the State Standards

As discussed above, the court below disposed of the unfair competition count under state law by affirming the district court's judgment n.o.v. based on Petitioner's failure to show a likelihood of confusion.

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[6] See the discussion accompanying footnote 4, *supra*.

In doing so, the court below considered the state law, including *Harrelson* v. *Wright, supra,* and concluded that even if Petitioner could obtain exclusive rights in its mark, it must also prove that the public is likely to be deceived or confused. 617 F2d at 1190-91, App. A at 16a-17a. No such showing was made here.

The court below did not consider the fair use defense in addressing the state law unfair competition claim. 617 F.2d 1190-91, App. A at 16a-17a. Indeed, Petitioner's "noteworthy" comment concerning fair use (Petition at 21-22) bears the same relevance to disposition of the state unfair competition count as the testimony quoted in the Conclusion (Petition at 23-26) bears to the fair use defense.

There was no violation of the "Erie Doctrine," *Erie R. Co.* v. *Tompkins,* 304 U.S. 64 (1938), and, as discussed above, the rendering of the judgment notwithstanding the verdict was proper.

IV. CONCLUSION

The decision below is in accord with the law of this Court, and there is no new issue of significant public moment for this Court to address. Accordingly, the Petition should be denied.

Respectfully submitted,

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Appendix 1

Name	Business Address
Bullenbay Marine Services N.V.	P.O. Box 660 Willemstad, Curacao Netherlands, Antilles
Butte Pipe Line Company	Two Shell Plaza P.O. Box 2648 Houston, TX 77001
Curacao Oil Terminal N.V.	P.O. Box 660 Willemstad, Curacao Netherlands, Antilles
Dixie Pipeline Company	3376 Peachtree Road, N.E. Atlanta, GA 30302
East Texas Salt Water Disposal Company	Suite 1002 First Place Tyler, TX 75710
Explorer Pipeline Company	Gulf Building Pittsburgh, PA 15219
Gravcap, Inc.	200 East Golf Road Palatine, IL 60067
Inland Corporation	Midland Building Cleveland, OH 33115
LOCAP, Inc.	Two Shell Plaza P.O. Box 2099 Houston, TX 77001
LOOP, Inc.	2150 Westbank Expressway Harvey, LA 70058
MESBIC Financial Corporation of Houston	717 Travis Suite 600 Houston, TX 77001
Olympic Pipe Line Company	P.O. Box 900 Dallas, TX 75221
Penn Central Corporation	1700 Market Street Philadelphia, PA

Name	Business Address
Plantation Pipe Line Company	3390 Peachtree Road, Atlanta, GA 30326
Seadock, Inc.	United States Corporation Co. Littlefield Building Austin, TX 78701
Thums Long Beach Company	Southern California Edison Building Long Beach, CA
West Shore Pipe Line Company	10 South Riverside Plaza Chicago, IL 60606
WIDC (Wyoming Industrial Development Corporation)	145 S. Durbin Casper, WY 86202
Wolverine Pipe Line Company	8500 North Michigan Road Indianapolis, IN 46268

IN THE

Supreme Court of the United States

OCTOBER TERM, 1980

NO. 80-1142

SOWECO, INC.,

Petitioner,

v.

SHELL OIL COMPANY AND
SHELL CHEMICAL COMPANY,

Respondents.

REPLY TO BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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In The

Supreme Court of the United States

OCTOBER TERM, 1980

NO. 80-1142

Soweco, Inc.,

Petitioner

v.

Shell Oil Company and
Shell Chemical Company,

Respondents

REPLY TO BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

This trademark dispute, described by Respondent as "private" involves both (1) the Petitioner's federal statutory rights provided incontestable trademarks under the Lanham Act, and (2) the Petitioner's common law rights under the laws of the State of Texas.

The dispute also concerns the right of Petitioner's relevant consuming markets, which span agricultural marketplaces from the West Coast to the East Coast, to be free from misleading or confusing uses of the Petitioner's fifty (50) year old trademark "Larvacide."

The dual interests of both the Petitioner and its consuming public to be free from any identification with the Respondent can be put no more clearly than in the summary of testimony offered by the Petitioner in its "offer of proof" at the trial of this cause.

The "offer of proof" related to the problem of the Respondent's chemical carcinogens used in the production of the relevant products which are used to treat agricultural products which

thereafter enter consumers' bodies.

Specifically, in this regard, prior to the time of trial the National Cancer Institute, on the basis of findings approved by industry and academic representatives from highly respected entities, had preliminarily determined that tetrachlorvinphos, the active chemical in the infringing products of the Respondent, caused cancer.

That determination, commonly referred to as a RPAR, represents a finding of a Rebuttable Presumption against Registration. See Bioassay Of Tetrachlorvinphos For Possible Carcinogenicity, National Cancer Institute, CARCINOGENISIS, Technical Report Series No. 33, CAS No. 961-11-5, NCI-CG-TR-33 (H.E.W. 1978). That initial presumption was later certified by the National

Cancer Insitute which in April of 1978 advanced the finding of carcinogenicity from a "rebuttable presumption" to a "conclusive presumption."

Petitioner's determination to alleviate all possible confusion in the Petitioner's market place is genuinely concerned with eliminating any belief that the carcinogenic products of the Respondent have "emanated from or have been endorsed by the Petitioner."

It was the jury in this case which found that the Respondent's uses of the Petitioner's trademark was

> ...In a manner that is likely to confuse, or mislead potential customers into believing that such goods or services [Respondent] have emanated from or have been endorsed by the latter [Petitioner]. You are advised that in answering this issue that the plaintiff, Soweco, need not have shown actual confusion of potential customers, but only a likelihood of confusion.

(App. 74a-76a).

The Petitioner and its consumers are entitled to the protection offered under both the Lanham Act and the Texas law of unfair competition. The obvious need for the Petitioner's goods to be clearly separate and distinct in the minds of consumers in the agricultural chemical market place needs no extended elocution.

Every citizen who consumes grain, beef or poultry in any form has a stake in the outcome of this case.

I. RESTATEMENT OF THE CASE

The Petitioner must take issue with the statement of the Respondent that an accurate statement of the facts may be found in the opinion of the Court below. The product names as printed in the opi-

nion itself do not reflect the product names as they are used by the Respondent. The boldness of the print is clearly inaccurate, and the indication that Shell uses the trademark "Poultry Spray & Larvicide" always preceded by the Respondent's name "Shell" is simply not founded upon the evidence in this case. See App. 87a-91a.

Second, the Petitioner takes issue with the fact that Respondent has merely used the "Larvicide" in a commonly-accepted meaning in this market place. While the Respondent points to several generally circulated dictionaries, the evidence at trial established that in the relevant agricultural chemical market place the word "Larvacide" as was defined as a trademark for the products of the Petitioner. No witness disputed

the authority of the Condensed Chemical Dictionary which defined "Larvacide" in the relevant market place as a trademark for the Petitioner's goods. (Tr. Vol. IV 66-70, 73-76; Tr. Vol. IVa 271-72, 275-77).

Particularly, the Respondent's distinguished expert witness, Dr. DeCamp took no issue with the Condensed Chemical Dictionary definition of the word "Larvacide"--trademark for products containing chloropicrin [Petitioner's]. (Tr. Vol. IVa 317); see also (Tr. Vol. IVa 395-96).

The trademark "Larvacide" is not utilized upon products available to the general public. It is a mark used in an agricultural chemical market. Petitioner's consumers use agricultural chemicals in connection with the fumaga-

tion of soil and grain. The Respondent unlawfully uses its marks on agricultural chemicals in connection with the eradication of pests attendant to cattle and poultry production. (E.g., App. 63a-64a).

The meaning to others in the general public has never been determined to be relevant. Both the Lanham Act and the common law focus on the use of words, not on their nature or meaning in the abstract. (Soweco v. Shell; App. 23a).

II. SUMMARY OF ARGUMENT

Respondent misconceived the arguments of the Petitioner in its application for Writ of Certiorari.

First, the Petitioner does not attack the constitutionality of Rule 50(b) as relates to the proce-

dure for the granting of a judgment notwithstanding the verdict. The error in this case in granting the same rises to consitutional levels, for the reason that substantial, if not compelling, evidence to the contrary existed in the evidence. Under the authority of this Supreme Court, and the various Circuits, the withdrawing of a party's right to a judgment on the jury's verdict amounts to constitutional error when suffcient evidence to support the jury's verdict exists. (Petition at 14-15).

Second, the "Fair Use" defense was not available to the Respondent for several reasons. The jury failed to reach unanimity on that issue; yet it did reach a unanimous verdict on its findings that the Respondent was using the Petitioner's incontestable trademark

in a "trademark manner."

Third, the jury twice found the requisite "likelihood of confusion", and under both the Lanham Act and the Texas law of unfair competition the Petitioner was entitled to its Judgment on the issue of liability.

Although the Respondent urges that the Court below abided by the "Erie Doctrine," it does not explain the failure of the Court below to follow the law as approved by the Supreme Court of Texas on the state claim for unfair competition. See Glass v. Kottwitz, 297 S.W. 573, 575 (Tex. Civ. App. -- Galveston 1927, writ ref'd).

As discussed in some detail above, the issues presented in the Petition concern the manufacturer, the distributors and the consumers of agricultural

produce.

Counsel for the Respondent in argument before the Fifth Circuit admitted that the Respondent had incorporated the Petitioner's mark in the relevant product names. For the Court below to determine that there is no evidence of an infringing use by the Respondent of the Petitioner's trademark is thus difficult to reconcile.

Under Texas law the use in a manner as defined by Special Interrogatories No. Seven and Nine (App. 74a-76a) established the Petitioner's right to its Judgment on the state claim.

The Respondent's argument, if extended to our modern commercial markets, would render a nullity in commerce of such distinctive names as General Motors, General Foods, United States

Steel, and American Airlines. Certainly those words taken individually are not particularly distinctive. To consumers in the relevant market place, however, those names carry a very high distinction and indicate a source of the goods or services, thereby assisting consumers in making marketing decisions.

This case offers this Court the opportunity to correct the improper interpretation of the Lanham Act and the unconsitutional denial of Petitioner's right to prevail upon its state law claim.

III. ARGUMENT

A. The Petitioner does not challenge the constitutionality of Rule 50(b); rather the unconstitutional granting of such a motion with an

evidentiary record containing substantial evidence to the contrary.

The Petitioner does not dispute that Rule 50(b) may be properly invoked on a record devoid of evidence sufficient to allow a jury of reasonable persons to find that a likelihood of confusion, in one form of another, existed.

The challenge herein is based upon the precedent of this Court in holding that denying a party a judgment upon a jury's verdict is constitional error should sufficient evidence to the contrary exist.

It is important for the Court to gleen from the record that a judgment notwithstanding the verdict was not rendered in connection with the Lanham Act

claims. The Court below sustained the denial of the Petitioner's right to judgment under the Lanham Act on the basis of a statutory defense to the infringment of the Petitioner's incontestable trademark.

Second, constitutional error did occur in the affirmance by the Court below of a judgment notwithstanding the verdict in connection with the Texas claim on unfair competition. The uses by the Respondent of the Petitioner's mark in the same market system as the uses of the Petitioner elicited testimony of confusion from a number of impartial third-party witnesses, particularly, salesmen which sold the products of both the Petitioner and the Respondent. More than substantial evidence existed from which the requisite

"likelihood of confusion" was determined by the jury.

1. The Court below did not deny the Petitioner judgment under the Lanham Act on the basis of "no evidence," but rather relief upon the "Fair Use" defense.

If the Petitioner has suggested it is challenging the validity of Rule 50(b), Federal Rules of Civil Procedure, such a suggestion has resulted from a misinterpretation of its position.

Under the authorities cited previously, the Petitioner merely recognized the authorities, including this Court, which have recognized that

failing to render judgment for a party upon the jury's verdict, with sufficient supporting evidence in the record, constitutes a denial of "trial by jury" and a correlative violation of the Seventh Amendment. (Petition at 14-15).

Such a situation has occurred in this case. It is critical to recognize that neither the District Court nor the Court of Appeals denied the Petitioner a judgment on its Lanham Act claims on the basis of "no evidence." Respondent's counsel in oral argument below admitted to having incorporated the Petitioner's trademark upon its product names, which the jury found to be used as trademarks. (App. 77a-78a).

Had the Court below initially determined the absence of "a likelihood of confusion" there would not have been

any necessity to resort to the extended discussion of the "Fair Use" defense provided in 15 U.S.C. § 1115(b)(4). The defenses to the infringement of an incontestable trademark need only be be recognized should a "likelihood of confusion" have been established. Otherwise, no resort to those defenses is necessary.

It is clear from the Court's opinion below that the Petitioner was denied relief under the Lanham Act solely on the basis of the "Fair Use" defense. Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178, 1189 (5th Cir. 1980) ("We conclude that Shell must prevail on its fair-use defense to the trademark infringement claim.").

However, for reasons specified below, the "Fair Use" defense was not

established under the jury's verdict, nor in the evidence.

2. The Court below did commit constitutional error, under the prior decisions of the Supreme Court, in granting judgment notwithstanding the verdict in the face of substantial evidence to the contrary.

As discussed above, neither of the Courts below denied the Petitioner judgment on its Lanham Act claims on the basis of "no evidence."

On the other hand, both Courts justified denial of the Petitioner's state claim, also connected with infringement of the Petitioner's mark, on the basis of "no evidence."

The inconsistency is glaring. A

review of the legal standards by which "a likelihood of confusion" is measured, and an analysis of the evidence as outlined in the Petition make evident that substantial evidence of "a likelihood of confusion" was produced on every factor to be considered--similarity in appearance, sound, distribution channels, advertising media, agricultural shows and exhibitions, and actual confusion. (Petition at 10-11, 17).

In view of such evidence, it was constitutional error to determine that a jury of reasonable persons could not have determined that consumers might have been mislead into believing that the Respondents' goods or services had emanated from or have been endorsed by the Petitioner, on the basis that the Petitioner need only show "a likelihood

of confusion." (See App. 74a-76a).

The Court below refused to recognize the one relevant statement of the Supreme Court of Texas on the state claim of unfair competition. The Texas Supreme Court approved the holding of a Texas Court of Civil Appeals that:

> "Even generic names and emblems will be so protected if there has been such a prior combination and association of them with, or application of them to, a new and distinctive enterprise that their subsequent use by others would thus tend to mislead the public and injure the association first so using them."

Glass v. Kottwiz, 297 S.W. 573, 575 (Tex. Civ. App. -- Galveston 1927, writ ref'd).

As previously discussed, such a failure to adhere to the law of the forum is in direct conflict with the

well settled principles set out in Erie R. Co. v. Tompkins, 304 U.S. 64 (1938).

B. The "Fair Use" defense was not available to the Respondent as represented in its opposition brief.

For several reasons, the "Fair Use" defense was not available to the Respondent.

First, the jury did not reach a unanimous decision on that special interrogatory.

Second, the jury did find that the Respondent was using the colorable imitations of the Petitioner's incontestable trademark "Larvacide" as trademarks. The jury's finding was worded according to the definition of the Lanham Act, and

was based upon the unequivocal testimony of the Respondent's own witnesses as earlier outlined. (Petition at 22-26).

1. The jury failed to reach a unanimous verdict on the "Fair Use" defense special interrogatory.

The Respondent indicated in its opposition to the granting of certiorari that the jurors had carefully deliberated upon the issues in this case.

Although the issues upon which the Petitioner relies were reached with the requisite unanimity, the jury did not reach unanimity on the "Fair Use" defense.

In responding to the Petitioner's point of error in connection with the

District Court's receipt of a non-unanimous verdict on the "Fair Use" defense, the Court below refused to acknowledge the testimony of the jurors cited by the Petitioner in its arguments below. The Court elaborated on testimony of the jurors which did not relate to the relevant record concerning the lack of unanimity under the standard as applied in jury trials.

The first juror, Mrs. W. P. Mall, when asked if her verdict represented her individual judgment as to what the verdict should be:

> "I really have to answer 'no' on two."

The District Court then quickly determined that Mrs. Mall had answered no as to the "Fair Use" defense and the

"Fraudulent Registration" defense submitted by the Respondent in connection with 15 U.S.C. § 1115(b).

A second juror was then asked whether or not the verdict announced by the jury foreman was his individual judgment.

Mr. D. Pope, the second juror polled, answered:

> "I will have to be like the lady."

The District Court then determined that Mr. Pope indeed was not returning a verdict on the same two issues.

The Court below held that the unanimity requirement in a jury trial vacillated as a function of whether the verdict was being received in a civil case, on the one hand, or in a criminal

case, on the other hand. Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178, 1188-89 n.29 (5th Cir. 1980). That finding was contrary to the precedent of its own Circuit, and other circuits, which have condemned the interrogation which was conducted by the District Judge below when faced with a non-unanimous verdict on his poll in open Court.

The Court would be referred to the well reasoned discussion on non-unanimous verdicts in Bruce v. Chestnut Farms--Chevy Chase Dairy, 126 F.2d 224, 225-26 (D.C. Cir. 1942); accord, Castleberry v. N.R.M. Corporation, 470 F.2d 1113, 1117 (10th Cir. 1972) (standard in civil damage case).

Despite the lack of unanimity, the Respondent did not request the District Court to return the jurors to obtain a

unanimous verdict. On the other hand, counsel for the Petitioner announced to the Court, on the record, that it was preserving its objection to the failure of the Jury to reach unanimity on the Respondent's defensive issues.

Although the Court below determined that the verdict was unanimous, on extended interrogation by the District Judge, the words of the jurors speak more boldly and succinctly.

2. The jury did reach a unanimous verdict that Respondent was using Petitioner's incontestable trademark "as a trademark."

The Petitioner has not claimed that the Respondent could not have made a proper descriptive use of some colorable limitation of the Petitioner's trademark

"Larvacide". However, as in other cases, even though a trademark may be capable of a descriptive, and therefore noninfringing use, its improper use "as a symbol to attract public attention" is a trademark usage. Venetianaire Corp. of America v. A & P Import Co., 429 F.2d 1079, 1082 (2d Cir. 1970); accord, Frostie Company v. Dr. Pepper Company, 341 F.2d 363, 366-67 (5th Cir. 1965) (use incorporating mark to attract prospective customers--infringement by definition--fair use defense not available).

The Respondent denies the relevance of the admissions of its witnesses that its product names are:

(1) being used as trademarks;

(2) being used in a very conspicuous manner;

(3) being used to "catch the user's eye," and

(4) incorporating the Petitioner's trademark as part of the Respondent's infringing product names, and

fails to be relevant to the Court's inquiry. The Venetianaire Corp. of America line of cases holding that the use of a symbol "to attract public attention" "is a trademark use" is diametrically opposed to the position of the Respondent.

Another Court in Feathercombs, Inc. v. Solo Products Corporation, 306 F.2d 251, 254, 256 (2d Cir. 1962), recognized the distinction between a non-trademark use, on the one hand, and a trademark use, on the other hand. That Court made evident that the use of another's

descriptive mark in "a conspicuous position in its marketing and display techniques" constituted a trademark use and, thus, trademark infringement.

A third Court recognized that the use of an otherwise descriptive mark "as a symbol to attract public attention" constituted trademark infringement. Safeway Stores, Inc. v. Safeway Properties, Inc., 307 F.2d 495, 499 (2d Cir. 1962).

The testimony of the Respondent's witnesses, the holdings of the relevant precedent, and the unanimous findings of the jury that the Respondent was using the infringing product names in a trademark sense render the "Fair Use" defense unavailable.

Having failed to establish a statutory defense to the infringement of the

Petitioner's incontestable trademark, the Petitioner was wrongfully denied its judgment under the Lanham Act, Sections 32 and 43(a), on the issue of liability.

A curing of the error of the Court below would allow the Petitioner to return for its hearing on damages and proper injunctive protection from identification with the questionable chemical products of the Respondent.

C. The jury did find the requisite likelihood of confusion in two special interrogatories which entitled the Petitioner to judgment under both the Lanham Act and the Texas law of unfair competition.

The jury below, on the evidence

discussed hereinabove, found that the Respondent was making uses of the Petitioner's mark in a manner that was "likely to confuse, or mislead potential customers into believing that such goods or services [Respondent] have emanated from or have been endorsed the latter [Petitioner]." (App. 74a-76a).

Such findings, based upon substantial if not compelling evidence, established trademark infringement under the Lanham Act. See Petition 15-18.

Additionally, those jury findings established statutory unfair competition under Section 43(a), Rolls Royce Motors Ltd. v. A & Fiber-glass, Inc., 428 F.Supp. 689, 697 (N.D. Ga. 1977) (15 U.S.C. § 1125(a)), as well as unfair competition under the common law of the State of Texas. Kentucky Fried Chicken

v. Diversified Packaging, 549 F.2d 368, 382 (5th Cir. 1977); Glass v. Kottwitz, 297 S.W. 573, 575 (Tex. Civ. App. -- Galveston 1927, writ ref'd).

The Petitioner is not required to prove that confusion of every kind must be likely before it is entitled to relief. A confusion in the minds of consumers that goods have enamated from or been sponsored by another, when such goods have not, is sufficient under the Federal law, as well as the Texas law of unfair competition to entitle the Petitioner to his judgment.

CONCLUSION

The Petitioner hopes that the irrelevant discussion of the Respondent in connection with "descriptive marks" will not obfuscate the consideration of the

issues surrounding the Petitioner's mark.

The Court below properly recognized that the Petitioner's mark was incontestable and, even if descriptive, was conclusively presumed to possess secondary meaning. None of the cases in the discussion of the Respondent in connection with "descriptive" marks related to situations concerned with marks which were (1) incontestable or (2) possessed secondary meaning.

The Petitioner is not attacking the constitutionality of Rule 50(b), but under the precedent of the Supreme Court is bringing error for an unconstitutional denial of this Petitioner's right to trial by jury.

The Respondent was not entitled to prevail on the "Fair Use" defense

in the absence of jury unanimity and the virtually conclusive evidence of its use of the Petitioner's mark as a trademark.

The findings of a likelihood of confusion by the jury, and the quite substantial supporting evidence, require judicial relief and remedy for the Petitioner.

The issues are not simple, but are not unnecessarily complex.

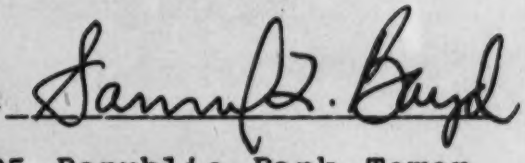
The Respondent, and its successors, continue in the improper use of the Petitioner's mark on the carcinogens condemned by the National Cancer Institute. Although those products may now be short-lived, the harm in the market place from lingering misconceptions of distributors and consumers will do untold harm if allowed to persist.

The Petition should be granted, the

Petitioner should be allowed its judgment, and the cause should be remanded for a hearing on the issues of damages and injunctive relief.

Respectively submitted,

McELROY & BOYD

By: 

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing REPLY TO BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI was served on counsel of record for the Respondent:

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on this 2nd day of March, 1981.

Samuel L. Boyd

SAMUEL L. BOYD